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OCTOBER TERM 1955

No. [redacted]150

COLGATE-PALMOLIVE COMPANY, STALFORT PRESSURE-PAK CORPORATION, JOHN C. STALFORT & SONS, INC., and READ DRUG & CHEMICAL COMPANY, INC.,

Petitioners,

—v.—

CARTER PRODUCTS, INC., JOSEPH G. SPITZER and MARVIN SMALL,

Respondents.

PETITION FOR A WRIT OF CERTIORARI

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June 8, 1956

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PETITION FOR A WRIT OF CERTIORARI

To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your petitioners pray that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Fourth Circuit.

The judgment below relates to the Spitzer, *et al.* United States Patent No. 2,655,480.* It affirmed the district court decree upholding all 21 claims of this patent.

These claims cover an adaptation to the soap industry of a packaging technique long used for whipped cream and aerosol insecticides.

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* The patent was introduced as plaintiffs' Exhibit 39 and appears at page 674 of defendants' appendix in the Court of Appeals. An analysis of the technical language of the claims is included as Appendix A hereto.

They cover a package by which any soap lather is pushed out of a ordinary aerosol can by the most common propellants of the prior art—the trade-marked Freons of duPont, long used for pressure packaging.

The 21 claims of the patent monopolize the use of pressure packaging by the soap industry. Indeed, plaintiffs have already publicized that the judgment below gives them control over "all pressurized shaving lather products on the market today" (pages 6-7 below).

Thus an entire industry is threatened with stoppage by injunction unless it capitulates and pays royalties.

The resulting increased prices will affect an estimated thirty million dollars worth of goods purchased by the public annually.

Opinions Below

The opinion of the District Court is reported in 130 F. Supp. 557 and is printed at page 594 of defendants' Appendix. The opinion of the Court of Appeals is reported in 230 F. 2d 855 and is printed as Appendix B hereto.

Jurisdiction

The judgment of the Court of Appeals is dated March 8, 1956 and the order denying the petition for rehearing is dated April 9, 1956.

Jurisdiction of this Court is invoked under 28 U. S. C. §1254.

Questions Presented

Petitioners' basic complaint is that the legal issues raised on the trial record have not yet been reviewed.

(A) The trial court sustained patentability by finding novelty in the selection of "a relatively small group of Freons" as propellants to be used generally with any soap solution—although the propellants selected were those most commonly used in the prior art (see pages 13 to 14 below).

The Court of Appeals did not decide whether this was invention under the standards set forth by this Court. Instead it rewrote the trial court's finding. It found the invention to be a specific combination of particular soaps with particular propellants. This revised finding is in square conflict with the patent specifications which disclaim this definition of the invention (see pages 14 to 22 below).

(B) The trial court prohibited the introduction of evidence to show what was known as to propellants in the prior art—although it found the selection of propellants to be the heart of the "invention" (see pages 23 to 24 below).

The Court of Appeals by redefining the invention was able to assert that such evidence as to propellants was not within the issues (see pages 24 to 25 below).

(C) The trial court refused to admit evidence as to the disclosures of foreign patents showing pressurized shaving cream on the legal ground that these patents did not meet the statutory qualifications of prior art (see pages 25 to 27 below).

> The Court of Appeals neither reviewed the legal issues as to whether these patents qualified as prior art, nor remanded the case to permit evidence to be introduced as to their meaning. Instead, the Court of Appeals itself, without evidence, appraised the disclosures of these patents and held that they did not set forth the invention of Spitzer (see pages 27 to 31 below).

Thus, the defendants were caught in a whip-saw. On the critical issue of invention, they were faced with a rewritten finding so that the case reviewed by the Court of Appeals was entirely different than that tried in the trial court.

They were denied a trial of highly complicated technological fact issues in the trial court and were refused a review of the legal bases for this denial in the Court of Appeals. Instead, they were faced with *de novo* findings on the very issues on which they were not permitted to introduce evidence.

The result of this unusual reversal of function by both lower courts is a strange anomaly. Petitioners and the public are faced with the broadest of patent claims sustained upon the most narrow and specific definition of invention.

In this context the judgment below presents the following questions for review:

(1) Did the Court of Appeals violate the rule of *Altoona Publix Theatres* v. *American Tri-Ergon Corp.*, 294 U. S. 477, 487 (1935), by sustaining the Spitzer patent without examining its specifications or the scope of its claims? (discussed at pages 16 to 22 below)

(2) Do the decisions below violate the rule of *Mandel Bros.* v. *Wallace*, 335 U. S. 291 (1948), by upholding

patentability where the sole novelty rested in the selection of a known ingredient to perform a known purpose in a combination? (discussed at pages 22 to 25 below)

(3) Did the lower courts perform their proper judicial functions:

(a) where evidence as to what was known in the prior art on the critical aspect of novelty was excluded by the trial court? (discussed at pages 23 to 25 below)

(b) where the Court of Appeals made a *de novo* finding of invention specifically prohibited by the disclosures of the patent? (discussed at pages 16 to 22 below)

(c) where the Court of Appeals made *de novo* findings as to the disclosures of foreign patents as to which the trial court excluded all evidence? (discussed at pages 27 to 31 below)

(d) where the Court of Appeals held that a prior development of pressurized shaving cream did not employ the combinations of the patent despite the concession of plaintiffs' counsel that it did? (discussed at pages 14 to 15 below)

(4) As to foreign patents excluded by the trial court:

(a) Is an invention patented in a foreign country on the date the patent is granted or on the date the patent is made public? (discussed at pages 32 to 35 below)

(b) Do the disclosures of a foreign patent not covered by the claims qualify as a prior art patenting in a foreign country? (discussed at pages 35 to 38 below)

(c) Do the typewritten specifications of a foreign patent qualify as a prior art printed publication? (discussed at pages 38 to 40 below)

(5) Did the lower courts err in relying upon evidence of unfounded trade secret charges against one defendant in upholding patent validity not only against that defendant but against all defendants as well? (discussed at pages 40 to 43 below)

Statement

The Effect of the Spitzer Patent on Industry

At the time the patent issued, there were at least ten prominent manufacturers of soap products marketing shaving soap in a pressure package (DCX 17, App. 725-6).* Since that time, the number of manufacturers and the proportion of such products so marketed have greatly increased. In addition several manufacturers have engaged in the manufacture of pressurized shampoos.

The importance of the decisions of the lower courts to this industry is best illustrated by plaintiffs' own representations to the industry following the decision of the Court of Appeals.

Thus, in the March 26, 1956 issue of Drug Trade News, there appeared under the heading, "Court Upholds Carter Aerosol Shave Patents,"** the following:

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* Citations to the record refer to defendant Colgate's appendix in the Court of Appeals. Defendants' exhibits are cited as DCX — and plaintiffs' exhibits as PX — together with the page of the appendix at which the exhibit appears.

** Actually the case involved only the single Spitzer patent.

"The decision of the U. S. Circuit Court of Appeals at Richmond, Va., clearly establishes the rights of Carter Products to patents covering all pressurized shaving lather products on the market today, Philip Richardson, vice president of Carter, told DRUG TRADE NEWS last week.

"No decision has yet been made, however, as to what further legal action will be taken to assert Carter's claims, Mr. Richardson said. Nonetheless, he stated that the decision of Federal Judge William C. Coleman, which was upheld by the higher court this month, 'confirmed on all points' the 21 patent claims involved in the suit against Colgate-Palmolive Co., and Stalfort Co., packer of Mennen items.

"Carter has already licensed a number of leading manufacturers to make aerosol shaving cream. These include American Home Products Corp., Barbasol Co., Noxzema Chemical Co. and Daggett & Ramsdell. In addition, Carter has licensed Procter & Gamble to produce 'Drene' shampoo." *

The Spitzer patent, moreover, is not confined to pressurized shaving cream or shampoo (col. 2, ll. 1-2). The claims embrace virtually all known soaps and detergents (col. 10, ll. 61 *et seq.*).

The judgment below has a commercial importance broader than the soap industry. It is of significance to custom fillers such as defendant Stalfort, which pressure package the products of others for a fee. For them the decision raises the fear that new patents will issue and be sustained whenever a different material is pressure packed in a can.

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* Emphasis ours throughout.

There is, moreover, a substantial possibility that the validity of these broad claims may never be litigated in another circuit. As indicated above, a number of concerns have already taken licenses—some on a standby basis depending on the outcome of this litigation (DCX 21, App. 730). Most manufacturers of pressurized shaving cream either do business or market their products in the Fourth Circuit. Consequently, the plaintiffs may be able to confine future contests as to their patent to the Fourth Circuit.

The only pending action in another circuit involving the Spitzer patent is a declaratory judgment action brought by The Mennen Company in the Second Circuit. The Mennen Company's product was adjudged to be an infringement of Spitzer in the present action as packaged by Stalfort and sold by Read. Plaintiffs assert in the Mennen action that The Mennen Company is bound by the adjudication in this case. As a consequence, the issue of patent validity may never be reached in that action.

The Prior Art

The work of the patentees in the light of the prior art provides no justification for the grant of a patent monopoly.

The background of the Spitzer patent is the prior art of pressure packaging. Pressure packaging involves placing a material in a container under the pressure of a gas or a liquid which becomes a gas when a valve is opened (App. 4-6). This propellant ejects the material from the container in a form ready for use (App. 4).

Thus the package itself performs a function in preparing the material for use.

Pressure packaging is not new. The first use of pressure packaging was for whipped cream which became common prior to World War II (App. 8-9; DCX 1, App. 708). Cream

REPRESENTATIVE FREON-

This photograph illustrates the widespread adoption of pressure packaging in industry. I
marked Freons as propellants. Many of these products came on the market at about the sa
by the trial court's rulings (see pages 23-25). In view of the trial court's exclusionary rulings, p

PROPELLED PRODUCTS

It appears in a duPont catalog issued in April, 1951 showing the use of duPont's trade-name time as plaintiffs' product "Rise." Several others are part of the prior art excluded petitioners did not offer this in evidence.

was placed in a container under the pressure of carbon dioxide, nitrous oxide or Freon 12 (DCX 1, App. 708; App. 37). When the valve was opened the cream came out as a foam or whipped cream.

The advantages of pressure packaging were utilized by the Armed Forces during World War II for the distribution of insecticides (App. 150). Liquid insecticides were placed in a heavy-walled container under the pressure of Freon 12 (App. 151). The container dispensed the insecticide as a mist (App. 150-1).

The possibility of utilizing pressure packaging for a wide variety of materials is obvious. The prior art patents recommend its use for such products as egg white (DCX 1, App. 708 at p. 3, col. 2, ll. 55-9), paints (DCX 9, App. 717 at p. 4, l. 105), ski wax (DCX 13, App. 722, col. 11, l. 34) and, indeed, soaps and detergents as well (DCX 9, App. 717 at p. 4, l. 103; DCX 13, App. 722, col. 4, l. 3).

There were, however, commercial problems in realizing the advantages of pressure packaging. Freon 12, the most widely used propellant, has a vapor pressure of 70 pounds per square inch (App. 14). Because of this vapor pressure, the containers used by the Armed Forces were heavy-walled and expensive and had to be reused (App. 150-1).

The container industry then made available low-cost beer can type containers which could be thrown away after a single use (App. 155-7, 268). For safety, however, the Interstate Commerce Commission limited the pressure inside these containers to 40 pounds (App. 14-5).

In order to use these low-cost containers the manufacturers of insecticides employed a number of well-known procedures for reducing the vapor pressure of Freon 12. One was to mix the Freon 12 with other Freons such as Freon 114 or Freon 11 which had lower vapor pressures

(App. 152, 159-60). Another was to use Deobase (mineral oil) which also lowers the vapor pressure of Freon 12 (App. 151-2, 157-8).

What the Patentees Did

Plaintiff Spitzer observed the machines in barber shops which produce shaving lather by mechanical whipping (App. 130). It occurred to him that the same result could be achieved by pressure packaging (App. 129-30). Spitzer took the problem to Snell Laboratories, an independent research organization already working for him on another project (App. 130). He told them he wanted to be able to squirt shaving lather out of a bottle or can (App. 7, 129-30).

The obvious resemblance of what Spitzer wanted to pressure packaged whipped cream immediately occurred to the Snell organization (App. 8). Thus, on February 28, 1949, they tried placing a common shaving soap diluted with water in a whipped cream container pressurized with a whipped cream propellant, nitrous oxide (PX 5, not printed). This gave a lather which was not stable (App. 9-10).

They then, on April 8, 1949, tried carbon dioxide, another whipped cream propellant (PX 5, not printed). This also gave a lather which was unstable (App. 10).

Had the researchers been familiar with the chemistry of soap they would have known that carbon dioxide decomposes soap and that nitrous oxide dissolves in it so it will not yield a foam (App. 8-10).

On April 13, 1949, the patentees pressurized commercial liquid shaving soap with Freon 12, also a whipped cream propellant (App. 201).

The soap used was Ell-Bee liquid shaving soap, a commercial liquid soap used in the barber shop machines (App. 14). The container and valve were those used commercially for whipped cream (App. 10). The propellant Freon 12 was that universally recommended as a propellant for pressure packaging (DCX 24, App. 734). The combination so achieved is monopolized by Claims 1, 2, 3, 4, 11, 12, 13, 16 and 17 of the patent (col. 10, ll. 61 *et seq.*).

This was the date and the combination specifically represented by plaintiffs to be the first reduction to practice of the invention (PX 155, App. 702).

The notebooks of Snell Laboratories indicate that work was performed on the project on only 13 days from the time that the project was received (PX 5, not printed).

It was only because the Court of Appeals misunderstood what the patent discloses and claims (see pages 16 to 22) that it stated:

> "A sufficient answer to the argument that nothing more is involved than the skill of the art is that the patentees experimented for months in the effort to produce the pressurized shaving cream of the patent before their efforts finally resulted in success, . . . " (p. 22a).

The patentees then turned to the problem of adapting their product for packaging in beer cans (App. 14-15). This involved merely the lowering of the pressure to 40 pounds as required by the Interstate Commerce Commission.

They used, and the patent claims, three accepted prior art procedures for lowering the vapor pressure of Freon 12. These prior art procedures are fully described in two prior art publications introduced in evidence—a bulletin of the research department of Continental Can Company dated

1947 entitled "Low Pressure Aerosols" (DCX 24, App. 734) and an article by Dr. Fulton, a government expert on pressure packaging in Industrial and Engineering Chemistry, April, 1948, entitled "Propellents for Low-Pressure Liquefied Gas Aerosols" (DCX 23, App. 732).

The Continental Can Bulletin recommended reducing vapor pressure by mixing Freon 12 with Freon 114 or Freon 11 (DCX 24, App. 734). The patentees did not, however, try Freon 114 in the first instance. Instead they first tried Freon 11 (App. 15). This they say caused stinging (App. 16). However, the patent discloses such a mixture as a shaving cream propellant (col. 9, ll. 67-70) and all but six of the patent claims cover its use (see Appendix A hereto, pages 7a-10a).

Dr. Fulton's article recommended reducing vapor pressure with Deobase (mineral oil) (DCX 23, App. 732; App. 157-8). The patentees say this eliminated stinging but caused problems with soaps (App. 66). The patentees, however, claim its use with all well-known soaps (see page 20).

The patentees then took the problem directly to the manufacturer of Freon propellants, duPont (App. 131). Mr. Spitzer explained that they wished a non-smarting combination of propellants and that the combination of Freon 12 and Freon 11 resulted in smarting (App. 194; DCX 37, App. 758).

The two duPont engineers immediately suggested the other method advocated by the Continental Can Bulletin; the use of Freon 114 instead of Freon 11 (App. 194). The combination of Freon 12 and Freon 114 was then immediately adopted by the patentees (App. 19-20). This combination became the preferred propellant of the patentees (App. 19-20). So far as the trial court was concerned it was the key to the invention of Spitzer.

There is no dispute in the record that this preferred combination was derived directly by Spitzer from the general knowledge of duPont (App. 19-20). Each person present when the incident took place testified at the trial (App. 131, 193-6, 212-13). The conference is reflected in a contemporaneous written memorandum by duPont (DCX 37, App. 758).

This critical fact is not once referred to either in the opinion of the trial court or that of the Court of Appeals.

The Lower Courts Differed Widely as to What Was the "Invention"

This is not a situation presenting concurrent findings of the lower courts as to validity.

The trial court recognized that novelty, if any, in Spitzer must rest in the selection of particular Freon propellants for use with conventional soap solutions in pressure containers. It stated that the individual elements of the Spitzer combination were old (App. 617). It further recognized that even the basic idea of combining them was not new. It said:

> "In other words, the *combination* of some Freons with the Spitzer soap solutions was not new in the art." * (App. 617).

The trial court pinpointed novelty as being the selection of particular Freons for use with conventional aqueous soap solutions (soap and water), by stating:

> "It is this combination of a relatively small group of Freons, that manifest those desirable properties of low water solubility and the optimum characteristics of non-smarting and of lather quality, with aqueous soap

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* Emphasis is the trial court's.

> solutions that constitutes the invention of Spitzer and his associates." (App. 618).

As shown below, the finding of invention in the selection of particular Freons could not be sustained on the trial record (pages 22 to 25). As there pointed out, the trial court's holding is in direct conflict with decisions of this Court prescribing the standards of patentability.

The Court of Appeals rejected the notion that novelty rested in the selection of particular Freons. It stated:

> "What was novel was to get a mixture of the right gases, with the right soaps in the right proportions, confined in a container under the right pressure, so that a lather satisfactory for shaving purposes would be produced when the mixture was allowed to emerge." (p. 14a).

The court then described the invention of the patent as constituting the use of 80 parts TEA stearate with 20 parts TEA cocoate, a well-known formula found in the classic work on soap-making by DeNavarre (DCX 76, App. 805). This is to be combined with a mixture of Freon 12 and Freon 114 as propellants (p. 15a).

This particular composition is defined only in Claim 21, the narrowest claim of the patent (col. 14, l. 31). This claim was not asserted to be nor found to be infringed by any of the defendants (App. 586).

The Court of Appeals' total revision of the trial court's finding as to what was the invention of Spitzer impeaches its evaluation of all of the prior art.

A dramatic illustration of the mischief wrought by this change is shown by the Court of Appeals' treatment of the work on pressurized shaving creams done by Lieuten-

ant Segelken of the United States Air Force. Segelken achieved pressurized shaving cream in 1946 while employed by Daggett & Ramsdell, a subsidiary of Standard Oil of New Jersey (App. 267 *et seq.*). The trial court held this work was abandoned and excluded testimony as to the nature of the products made by Segelken (App. 434-6).

The trial record contains the unqualified concession of plaintiffs' counsel that the written formulas which were made up and used by Segelken are covered by the Spitzer claims. This concession is as follows (App. 290):

> "The Court: As I understand it, you are not contending that the formulae, leaving out the questions of anticipation at the moment, of this Segelken were not formulae covered by the patent in suit, as I understand it.
>
> "Mr. Finnegan: I will not go too far in that direction, Your Honor, because some of the claims in suit would not be anticipated by the Segelken formula.
>
> "The Court: But you admit some would be?
>
> "Mr. Finnegan: Yes, some would be."

On appeal we urged that there was no abandonment. The Court of Appeals did not pass upon this contention. Despite the express concession by plaintiffs' counsel the Court of Appeals on the basis of its own redefinition of the invention was able to say:

> ". . . it is not shown that he [Segelken] used the combination either of propellants or soaps prescribed by the patent or that he eliminated objectionable matters eliminated by that combination or achieved the results obtained by it." (p. 21a).

Violation of the Rule of the *Tri-Ergon* Case

In *Altoona Publix Theatres* v. *American Tri-Ergon Corp.*, 294 U. S. 477, 487 (1935), this Court condemned in strong terms the sustaining of patent validity on a theory of invention which bore no relation to the disclosures of the patent specifications or to the claims in suit.

It is plain on the record in this case that the Court of Appeals fell into exactly this error.

Every feature fixed upon by the Court of Appeals in its findings as a critical aspect of the invention is specifically disclaimed as "not critical" by the patent.

The Court of Appeals in its findings emphasized that invention rests in mixing the right gases

> "... with the right soaps, in the right proportions, confined in a container under the right pressure, so that a lather satisfactory for shaving would be produced ..." (p. 14a).

Actually not a single claim of the Spitzer patent is confined to the production of "a lather satisfactory for shaving."

As to the "right soaps," the most the specifications say is:

> "The nature of the soap or detergent used, although not critical, has an effect on the type of lather produced." (c. 2, ll. 38-40).

There follows a description of the known lather characteristics of all common soaps. The patent includes in its definition of soaps synthetic detergents as well (col. 10, ll. 53 *et seq.*; App. 387-8). Most of the claims cover any combination of any known soaps (see Appendix A hereto, pages 3a to 4a). Some provide that some portion must "com-

prise" a TEA soap or TEA stearate soap. TEA soap is a common soap long used for shampooing and shaving (see Appendix A hereto, p. 4a). Only Claim 21, which was not asserted to be infringed, requires any specific soap formula (see Appendix A hereto, page 5a).

As to the "right proportions," the patent says:

> "The amount of soap employed to form the aqueous soap solution of our composition is not critical and generally depends upon the nature of the soap used. The low limit is the minimum amount that gives a satisfactory lather and the upper limit is fixed either by economic considerations or by the amount that will form a gel at the lowest temperature likely to be encountered in use." (col. 3, ll. 67-75).
>
> * * * * *
>
> "The amount of propellant used in the soap solution and propellant composition of our invention is not critical, but is determinative of the density of the lather produced." (col. 7, ll. 55-60).

The claims permit variations in the weight of soap from 5% to 30% and from 5% to 18%. (See Appendix A hereto, pages 5a to 7a.)

As to the "right pressure," the patent says:

> "The upper limit of the propellant vapor pressure is not critical and is determined by considerations of safety and economy." (col. 9, ll. 7-9).

The range specified in the claims is from about 5 to 300 pounds—from the minimum necessary to push out the soap to a pressure which would explode most conventional containers (App. 25). Most of the claims set forth this wide limit; a few specify narrower limits (Claims 16-20); others

prescribe particular propellants also disclosed by the prior art (Claims 11 and 21).

Further demonstration of the Court of Appeals' misapprehension of the "invention" of Spitzer and the scope of its claims is contained in the court's description of the process by which the "invention" was discovered. The Court of Appeals states as to this inventive process:

> "An emulsion consisting of the gas propellant Freon-12 (dichlordifluormethane) and the soap solution used in barber shop machines would not do because the pressure was too high. Reduction of the vapor pressure by mixing Freon-11 (monofluortrichlormethane) with Freon-12 produced a smarting, skin-irritating product not suitable for shaving. Reduction of vapor pressure with mineral oil solved the pressure problem but produced problems in connection with the soaps. Finally, after much experimentation, sodium soaps were eliminated and the soap solution adopted was a combination of 80 parts of TEA (triethanolamine) stearate and 20 parts of TEA cocoate, to prevent jelling. The proper propellant was found after much inquiry and experiment by mixing Freon-114 (1, 2 dichlor 1, 1, 2, 2 tetrafluorethane) with Freon 12." (pp. 14a-15a).

The extent to which this finding by the Court of Appeals misconceives the nature of the invention which the patentees purport to disclose and claim is dramatized by making a sentence-by-sentence comparison of the above-quoted statement with the undisputed facts.

Compare the Court of Appeals' statement:

> "An emulsion consisting of the gas propellant Freon-12 (dichlordifluormethane) and the soap solution used in barber shop machines would not do because the pressure was too high." (p. 14a).

with the plaintiffs' own representations to the trial court as to the reduction to practice of their invention (PX 155, App. 702):

"Reduction to Practice: Claims 1, 2, 4, 12, 16, 17
Plaintiffs' Exhibit 9:

Page 33501—April 12, 1949. Prepared combination of Freon 12 and a soap (LB liquid soap)

Page 33503—April 13, 1949. Prepared combination of Freon 12 and a soap (LB) pressurized."

The Court is also wrong as to this matter of vapor pressure. Most of the claims of the patent specify a vapor pressure up to 300 pounds. This is several times the 70 pound vapor pressure of Freon 12 (App. 14).

Compare the Court of Appeals' statement:

"Reduction of the vapor pressure by mixing Freon-11 (monofluortrichlormethane) with Freon-12 produced a smarting, skin-irritating product not suitable for shaving" (pp. 14a-15a).

with the following recommendation for a pressurized shaving cream in the patent:

"Shaving lather producing compositions

* * * * *

	Percent
"1. Soap solution 2	94.5
Dichlordifluormethane (Freon 12)	2.1
Monofluortrichlormethane (Freon 11)	3.4"

(col. 9, ll. 40, 67-70)

Combinations of Freon 12 and 11 are covered by all but six (Claims 16-21) of the 21 claims of the Spitzer patent (see Appendix A hereto, pages 7a to 10a). It was the avowed purpose of the patentees to assert claims broad enough to include Freon 11 even though it gave "marked skin smarting" since "someone, some day may discover how to overcome smarting" (PX 37, App. 669-70).

Compare the Court of Appeals' statement:

"Reduction of vapor pressure with mineral oil solved the pressure problem but produced problems in connection with the soaps." (p. 15a).

with the language of Claim 15 which claims the use of mineral oil with all conventional shaving soaps.

"* * * said soap solution comprising a solution which is non-gelling at room temperatures and which contains at least about 5% and not substantially exceeding about 30% by weight of soap, a substantial proportion of the soap in said soap solution comprising at least one soap selected from the group consisting of the higher saturated fatty acid soaps of potassium, sodium and the water-soluble aliphatic amines and including at least about 50% soluble stearate soap, not more than about 20% of a refined petroleum oil * * * " (col. 13, l. 31 *et seq.*).

Soaps of potassium, sodium and the water soluble aliphatic amines include virtually all known soluble soaps (App. 33-5). Stearate soaps (mostly from tallow) are the most common of all soaps (App. 305, 322-3; see Appendix A hereto, pages 4a to 5a).

Compare the Court of Appeals' statement:

"Finally, after much experimentation, sodium soaps were eliminated . . ." (p. 15a).

with the language of claims quoted by the Court of Appeals as typical:

"* * * at least one soap selected from the group consisting of the soaps of potassium, sodium and the water soluble aliphatic amines, * * *" (Claim 2; p. 17a).

"* * * the soap in the soap solution comprises a higher saturated fatty acid triethanolamine soap and includes a lesser proportion of sodium soap" (Claim 20; p. 19a).

Sodium soaps are expressly included within Claims 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 20 of Spitzer.

The decision of the Court of Appeals presents the most direct conflict with the rule for appraisal of patent validity established by this Court in *Altoona Publix Theatres* v. *American Tri-Ergon Corp.*, 294 U. S. 477 (1935).

There this Court stated (p. 487):

"The Court of Appeals, in upholding the patent, made no examination of its separate claims, but treated the patent throughout as though it were a combination of five distinct elements, the photo-electric cell, the arcuate flexing of the film, the flywheel, the flexible connection of the flywheel and the optical slit, although nowhere in the patent is any such combination claimed. The patent thus upheld is one which was neither claimed nor granted. Under the statute it is the claims of the patent which define the invention."

In this case it seems clear that the Court of Appeals fell into the same error and did not regard it as necessary to its decision to read the patent specifications or consider the scope of the patent claims.

Despite its belief that the invention of the patent is a most specific combination, the Court of Appeals sustained all 21 claims of the Spitzer patent which monopolize the pressure packaging of soap. The prejudice to the public from sustaining claims so unrelated to the patentees' contribution is obvious. The prejudice to the defendants is equally obvious on this record. The sole claim of the patent, Claim 21, which limits the claimed invention to that found by the Court of Appeals was not asserted to be nor found to be infringed.

Disregard of the Rule of the *Mandel* and *Sinclair* Cases

The reasons which forced the Court of Appeals to reject the trial court's finding and make its own finding as to invention are apparent.

The trial court's holding as to invention rested upon its finding that the sole novelty in Spitzer was the selection of particular Freons for use with conventional aqueous soap solutions in commercial pressure containers (*supra*, pp. 13-14).

Freon 12, however, was recommended not only for all aerosol insecticides but for whipped cream as well (*supra*, p. 10). The means used by Spitzer to reduce the pressure were precisely those recommended by the prior art (*supra*, pp. 11-13). The preferred combination of Freon 12 and Freon 114 was actually given to Spitzer as a part of the general knowledge of the art (*supra*, pp. 12-13).

Under these circumstances, the trial court's holding of validity presents the squarest conflict with this Court's

decisions in *Mandel Bros.* v. *Wallace*, 335 U. S. 291, 295 (1948), and *Sinclair & Carroll Co.* v. *Interchemical Corp.*, 325 U. S. 327, 335 (1945).

Each of these cases holds that it is not invention to select a known ingredient to fulfill a purpose in a combination for which its usefulness is well known to the prior art.

The *Mandel* case is particularly pertinent. There this Court held that it was not invention to select synthetic urea as an anti-corrosive and anti-irritant ingredient of a cosmetic when its use for this purpose was well known in non-cosmetic fields. The almost exact parallel between the fact situation presented in the *Mandel* case and that presented here is indicated by paraphrasing a quotation from that case (335 U. S. at 295) to fit this case.

> "But we think that the state of the prior art was plainly sufficient to demonstrate to any skilled chemist searching for *a shaving cream propellant* that he should make the simple experiment that was made here. The patentees knew that *Freon-12* was in general use as a *propellant for pressure packaging*. Moreover, the patentees knew that *carbon dioxide and nitrous oxide as well as Freon-12* had been successfully employed *as propellants for whipped cream*. It is not surprising therefore that after experimenting with *carbon dioxide and nitrous oxide* in an effort to find a *suitable propellant* the patentees promptly turned to *Freon-12*. Their success was immediate." *

There is an additional reason why the trial court's finding that invention rested in a selection of propellants cannot be sustained on the trial record.

Defendants' first witness on the prior art, a well informed government expert, Dr. Fulton, was prevented from describing what was known in the prior art as to propel-

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* Substituted words in italics.

lants used with materials other than soap solutions (App. 152 *et seq.*).

The trial court on its own motion interrupted Dr. Fulton's testimony, excluded all but preliminary remarks and chastised defendants' counsel for "befuddling the issue" (App. 155).

On a later occasion defendants' counsel again urged on the court the importance of developing information as to what was known as to propellants in the prior art of pressure packaging.

The court at this point issued a blanket prohibition, never lifted, preventing an introduction of such evidence. This ruling occurred as follows:

> "The Court: I think that is generally true but still I am going to rule on that that you will not be allowed to establish that point or to attempt to establish that point by bringing in aerosol insecticides because I don't think that has anything to do with the case.
>
> "Mr. Schneider: Your Honor, that is where the knowledge of propellants was developed.
>
> "The Court: I am glad you brought that up, Mr. Schneider, because certainly for the time being—I don't mean that this ruling will be without prejudice to your raising the point later on, but beginning tomorrow, I am going to exclude all testimony that purports to cover insecticides.
>
> "Mr. Schneider: Well, Your Honor, we can't talk about propellants without bringing in insecticides.
>
> "The Court: I am afraid you will have to, except in passing." (App. 161).

The Court of Appeals, however, referred to these highly prejudicial rulings as matters warranting but "scant mention" and as having been made for the purpose of "holding

the parties to the trial of the issues involved in the case" (p. 32a).

Actually, the rulings involved the most direct violation of the principles of the *Mandel* case. There this Court stated:

> "These established principles of law would dispose of the case except for the position taken by the United States Court of Appeals in this case that the cosmetic problem here was remote and unrelated to the problems considered in the prior art. For this reason that court held that patentees in the field of cosmetics were not bound by prior art knowledge disclosed by the Shipp and other patents. The court therefore considered this patent almost as though patentees were writing on a clean sheet. Accordingly it held that the use of urea in the cosmetics field with the results here obtained was patentable invention.
>
> "In this the Court was in error. As we have pointed out, the general store of chemical knowledge in 1938 was such that anyone working on any problem of acidic corrosion and irritation would naturally and spontaneously have tried urea. * * * " (335 U. S. at 295-6).

Failure of the Court of Appeals to Review the Trial Court's Rulings as to the Foreign Patents

The most serious failure of both lower courts related to their treatment of the prior art foreign patents covering pressurized shaving cream.

Defendants attempted to introduce these patents under 35 U. S. C. §102 which provides in pertinent part:

> "A person shall be entitled to a patent unless—
>
> "(a) the invention was known or used by others in this country, or patented or described in a printed

publication in this or a foreign country, before the invention thereof by the applicant for patent, * * *."

The first of these foreign patents was a Belgian patent covering pressurized packaging of foam-forming materials including "shaving products on a soap base" (DCX 26, App. 738, 745).

The trial court held as a matter of law that the Belgian patent was "patented" within the meaning of 35 U. S. C. 102(a) not from the date of its grant but instead from the date it was made public (App. 604). The date of grant was prior to Spitzer and the date of publication was after Spitzer.

So holding, the trial court concluded that "it became unnecessary at the trial to consider the subject matter of the Belgian patent." (App. 606).

So holding, the trial court refused to receive evidence with respect to the disclosures of the Belgian patent (App. 221).

The record is plain that the trial court elected to follow this course for the purpose of avoiding the extensive evidence which it realized would be necessary if it were obliged to examine the disclosures of the Belgian patent on the merits. The trial court stated:

"If the Court of Appeals, upon an appeal, should say I was wrong, that would open the case, presumably—if they felt it had to be opened for testimony on that point, and we would have to open it. But I can visualize several days dwelling on this Belgian patent because, from what I have heard, the contest, so to speak, is going to involve, to a large extent and to a major extent, the contest is to validity, on anticipation, and around this Belgian patent." (App. 181).

The remaining two patents were Argentine and Panama patents both stemming from a single discovery and virtually identical in language (DCX 59, App. 763). These patents set forth formulas on pressurized shaving cream including a specification of propellants (DCX 59, App. 772).

The trial court followed the same procedure with respect to these patents (App. 606-09). It concluded as a matter of law that since they were typewritten they did not constitute printed publications under the statute (35 U. S. C. 102(a)) (App. 607). It also concluded that since they did not, in its view, "claim" the shaving cream formulas set forth in the patents they could not anticipate Spitzer (App. 608-09).

So holding, it again excluded all evidence proffered as to the meaning of the technical terms employed and as to the identity of the compositions disclosed with those of Spitzer (App. 609).

The Court of Appeals took a diametrically opposite course. It expressly refused even to pass on the points of law upon which the decision of the trial court turned. Instead it purported to find the "facts" on the very points as to which the trial court had excluded evidence. Thus it stated:

> "Assuming without deciding that there was error in the exclusion of these patents, the position of defendants is not helped, since neither of these teaches how to produce the pressurized shaving cream of the patent in suit." (p. 20a).

Of the Belgian patent the Court of Appeals said that it

> "* * * lists a large number of gaseous propellants, but not including Freon-114 . . ." (p. 20a).

and that it includes

"* * * soaps as emulsifying agents only." (p. 20a).

and that it

"* * * does not teach which of the propellants should be used for that purpose [pressurized shaving creams] or with what combination of soaps * * *" (p. 21a).

These conclusions the Court of Appeals purports to have reached from its own reading, unaided by any expert testimony, from the Belgian patent, which says as to propellants:

> "To obtain such liquefied gas, recourse may be had to saturated, unsaturated or cyclic hydrocarbons with 3, 4 or 5 carbon atoms, monochloro or monobromo derivatives of methane, ethane and ethylene, certain fluoro and fluochloro derivatives of methane and ethane, methyl or ethyl nitrite; and in particular, by reason of their industrial importance, butanes and butylenes, stabilized butadiene, propane, propylene, monomeric and stabilized vinylchloride, methyl bromide, ethyl chloride, dichlorodifluoromethane, monochlorotetrafluoroethane, dichloromonofluoromethane, trichloromonofluoromethane, and others." (DCX 26, App. 741);

which says as to soaps:

> "The viscous or pasty liquid medium employed may comprise solutions, pastes, gels, suspensions, etc., preferably in an aqueous vehicle or base. The emulsifying products present in this medium may be salts of fatty and naphthenic acids, sulfonates, salts of sulfate esters of fatty alcohols, these salts being obtained by the action of alkaline bases or of amines (ethanolamines), certain fatty amines, so-called soapless soaps, emulsifiers derived from ethylene oxide and diethylene glycol, lecithin, etc." (DCX 26, App. 740);

and which says as to the choice of propellants for use with particular soaps:

> "The liquefied gas which is placed in the presence of the aforesaid liquid medium in a closed space or vessel is so chosen as to be inert or indifferent to the substances composing such medium, liquefiable at ordinary temperature and comparatively low pressure, not substantially dissolved by the said substances or preferably insoluble in them but also to form a homogeneous liquid emulsion with them, of the 'oil in water' type, so long as the gas remains in the liquid state. On the other hand, this liquefied gas returns to its gaseous form at the pressure of use (atmospheric) in a temperature range included between about —50° and +30°." (DCX 26, App. 741).

If that sort of technological language is comprehensible to a reviewing court without testimony of experts, then there was a shocking waste of time at the trial in permitting any oral testimony at all. Actually, expert testimony together with proof of the chemistry and physics involved would have demonstrated that the disclosures of the Belgian patent pointed directly to the use with shaving soap of the very propellants found by the trial court to be the heart of the "invention" of Spitzer.

With respect to the Argentine and Panama patents the Court of Appeals said that the

> "* * * patents relate to spraying cosmetics" (p. 21a)

and that the patents

> "* * * merely list 'propellants' without indicating what mixture of propellants is to be used with what mixture of soaps." (p. 21a).

The Court of Appeals reached these conclusions on the basis of disclosures which list as to shaving cream formulas:

"Soap Base Shaving Cream

(23)	Stearic Acid	24.0 g.
	Liquid Soap	51.0 g.
	Caustic Potash	10.0 g.
	Glycerin	47.0 g.
	Borax	1.0 g.
	Water	80.0 g.
	Propellant	42.0 g.

"Soap Base Shaving Cream

(24)	*Triton X 100	10.0 g.
	Water	55.0 g.
	Glycerin	10.0 g.
	Propylene Glycol	20.0 g.
	Propellant	5.0 g.

"Brushless Base Shaving Cream

(25)	Glyceryl Monostearate	1.8 g.
	Stearic Acid	5.4 g.
	Propylene Glycol	3.8 g.
	Heavy Liquid Petrolatum	1.8 g.
	Water	70.0 g.
	Propellant	20.0 g."

* An alkylated Aryl polyether alcohol."

and which state as to propellants:

> "In general, other normally gaseous liquefiable halogenated hydrocarbons may be used as propellants in the above compositions in place of those specifically named. An especially suitable propellant is a mixture of 50 wt. % difluorochloro ethane (CH_3CClF_2), 10% Freon-12 and 40% Freon-11" (DCX 59, App. 772, 773).

Again, had the defendants been permitted to introduce appropriate proof, they could have shown that the shaving cream formulas set forth in these patents using the very propellants the patents specify were clearly covered by most of the Spitzer claims. Indeed, the source of these formulas was the work of Segelken at Daggett & Ramsdell mentioned above (pages 14-15, *supra*). The formulas set forth in the patents are among the very formulas which plaintiffs' counsel conceded were covered by and would anticipate some of the Spitzer claims (page 15, *supra*, DCX 67, 68, App. 784-6).

Thus, the defendants were deprived of a trial of the fact issues in the trial court, a review of the legal issues in the Court of Appeals and were faced with *de novo* fact findings on the very fact issues as to which they were denied the right to introduce evidence. Although this serious injury to defendants' rights was pointed out to the Court of Appeals on a petition for rehearing, that court refused to do anything about it.

The result of this sequence of rulings, however, was so prejudicial as to verge upon a denial of defendants' constitutional right to procedural due process of law.

The Legal Issues as to the Foreign Patents Should Be Decided by This Court

The legal issues with respect to the qualification of the foreign patents as prior art are of such stature as to require review by this Court.

These issues have to do with the questions as of what date and to what extent foreign patents are effective under 35 U. S. C. §102(a), quoted above (pages 25-26), to anticipate a domestic application.

In general import these questions are the counterpart of the difficult legal problems with respect to domestic

patents which were finally resolved by this Court in the landmark decision written by Mr. Justice Holmes in *Alexander Milburn Co. v. Davis-Bournonville Co.*, 270 U. S. 390 (1926).

Indeed the present case has been watched with the greatest interest by the Patent Office and by the Patent Bar. They hope that the confusion and conflict in the decisions of the lower courts with respect to foreign patents may be finally resolved in this case.

What Date Controls?

The Belgian patent poses directly a most important issue as to when a foreign patent becomes effective as an anticipation.

In Belgium, as in a number of countries, a patent is granted and the patent rights accrue prior to the time a patent document becomes available to the public.

The question then is as to whether what is covered by the patent is to be regarded as "patented" in a "foreign country" as of the date of grant or as of the date the foreign patent is made public.

That question was of critical importance in this case. The "invention" dates asserted for Spitzer's claims fall after March 31, 1949 and prior to July 1, 1949 (PX 155, App. 701 *et seq.*).

The Belgian patent was granted by official decree on March 31, 1949 (DCX 30, App. 754). As is customary in Belgium, the patent was not made available for public distribution until July 1, 1949 (App. 173-4).

According to Belgian law, the decree of March 31 itself constituted the grant of the patent (App. 164-5, 167-8; DCX 28, App. 752-3).

The trial court ruled that the Belgian patent was not effective until July 1, 1949 and accepted plaintiffs' contention that the Spitzer claims were conceived subsequent to March 31 but prior to July 1 (App. 605).

The law on this question is in considerable confusion. The trial court in its ruling relied on this Court's statement in *Elizabeth* v. *Pavement Co.*, 97 U. S. 126, 130 (1877), that:

> "A foreign patent, or other foreign printed publication describing an invention, is no defence to a suit upon a patent of the United States, unless published anterior to the making of the invention or discovery secured by the latter, * * *" (App. 604).

That case, however, did not involve any problem of publication of a patent.

The decisions of the lower courts as to the effective date of the Belgian patent are in conflict.

Two earlier district court cases have held that the effective date of a Belgian patent is the date on which it is made available to the public. *Scovill Mfg. Co.* v. *Balistocky*, 48 F. 2d 875, 879 (E. D. Pa. 1931), *reversed on other grounds*, 61 F. 2d 494 (3rd Cir. 1932); *Scovill Mfg. Co.* v. *Satler*, 21 F. 2d 630, 634 (D. Conn. 1927).

On the other hand, a more recent decision by Judge Leibell ruled that a Belgian patent becomes an anticipation on the date of the ministerial decree granting the patent. *General Electric Co.* v. *Hygrade Sylvania Corp.*, 61 F. Supp. 476 (S. D. N. Y. 1944). Judge Leibell stated (p. 529):

> "The Philips Belgian patent was applied for on October 19, 1928 and was 'attached to the Ministerial Decree of November 30, 1928,' which was the date of its issuance. The date of its publication was January

19, 1929, three months from the date when the application was filed. Defendant claims that in this proceeding the effective date of the Belgian patent should be fixed at the publication date, January 19, 1929. Plaintiff contends that the date Philips invention was patented in Belgium was the date of the decree issuing the patent, November 30, 1928. I think the plaintiff is right. See, Sirocco Engineering Co. v. B. F. Sturtevant, 2 Cir., 220 F. 137 and R. S. §4886."

The only holding of a Court of Appeals in point is *Trico Products Corp.* v. *Delman Corp.*, 180 F. 2d 529, 533 (8th Cir. 1950). There the Court ruled that an Italian patent was an anticipation of an American patent prior to the time it was printed. The record, however, did not show whether the patent was available to the public between the date of grant and the date of printing.

The Patent Office in its administrative practice in the issuance of patents has adopted the rule that a Belgian patent is to be regarded as effective from the date of the ministerial decree granting the patent. This is stated in the Manual of Patent Examining Procedure, Section 901.05 (a) (1955).

The Board of Patent Appeals has so ruled in a patent case, *Ex parte Scalera*, 104 U. S. P. Q. 75, 76 (1953). There the Board stated:

> "The petition places an interpretation on the word 'patent' which requires availability to the public to be an essential part of its definition. Appellants contend 'a patent is no "patent" within the purview of the statute until it is available to the public.' With this construction Belgian patent No. 489,832 is said to be effective as a patent only from October 16, 1949, the date it was made available to the public and not from

July 15, 1949, the date of its grant. We are unable to concur with appellants in this view. On the contrary we think the Belgian application became a patent within the meaning of 35 U. S. C. 102b when it was granted by the ministerial decree dated July 15, 1949. This conclusion is in line with the General Electric case, 61 U. S. P. Q. 263, which we believe represents a proper interpretation of the law. We have considered the older decisions relied on by appellants to support their position but believe the more recent court decisions we cited are controlling."

The decision of the district court in this case may require the Board of Appeals to revise its views. Obviously, a decision of this Court resolving the doubts on this issue would be of great assistance to the Patent Office and the lower courts.

Does "Patented" Mean "Claimed"?

The District Court held that the disclosures of the Argentine and Panama patents as to pressurized shaving cream were not covered in the claims annexed to those patents (App. 607-09).

This posed the question under 35 U. S. C. §102(a) quoted above (pages 25-26) whether what is "patented in a foreign country" includes material which appears in the specifications but not in the claims.

The cases interpreting the term "patented in a foreign country" are in hopeless confusion.

The term has been long used in the patent laws in a number of sections involving different problems and has received varying interpretations.

Thus it was once the law that, where an invention was first patented in a foreign country, the expiration date of any American patent was limited to the expiration date of the foreign patent.

In interpreting that provision, this Court held that "patented in a foreign country" was to be regarded as meaning effectively monopolized or claimed in a foreign country. This rule was expressed in *Leeds & Catlin* v. *Victor Talking Mach. Co.*, 213 U. S. 301 (1909), where the Court stated (p. 318):

> "The purpose of §4887 of the Revised Statutes is very clear. It is that whenever an invention is made free to the public of a foreign country it shall be free in this. The statute has no other purpose. It is not intended to confound rights and to make one invention free because another is made so."

It is obvious that the public policy involved in the statute with which this Court was there concerned was quite different from that where foreign patents are advanced as anticipations.

A second use of the term "patented in a foreign country" occurs in 35 U. S. C. §102(d), which has been a part of the patent laws for many years. This statute provides that an inventor shall not be entitled to a patent if he patented his invention in a foreign country more than 12 months prior to the filing of his United States application.

The courts, in interpreting the meaning of "patented in a foreign country" for the purpose of that section have expressed divided views. In *General Electric Co.* v. *Alexander*, 280 Fed. 852 (2d Cir.), *cert. denied*, 260 U. S. 727 (1922), the Court followed the *Leeds & Catlin* case and held that "patented in a foreign country" meant claimed in a patent in a foreign country.

On the other hand, in a more recent decision by the First Circuit, *Mershon* v. *Sprague Specialties Co.*, 92 F. 2d 313, 319 (1st Cir. 1937), *cert. denied*, 304 U. S. 561 (1938), the Court decided exactly the other way. It specifically approved a decision of the district court which held that the specifications of the patent rather than the claims were to be looked to in determining what was "patented in a foreign country" for the purpose of this statute.

There are, moreover, far stronger policy reasons for holding that the specifications are controlling in determining what is "patented in a foreign country" for the purpose of determining anticipation under 35 U. S. C. §102(a).

An expired patent should be just as effective an anticipation as one still in effect. Nor should effectiveness as an anticipation be changed if, for example, a foreign court should hold one or more claims of a patent invalid.

The only holding found on this point is in *Sirocco Engineering Co.* v. *B. F. Sturtevant Co.*, 220 Fed. 137 (2d Cir. 1914), *cert. denied*, 238 U. S. 636 (1915). There, the question was the effectiveness as anticipations of certain unprinted French patents which had lapsed because of failure to pay the required annual tax. The court held that effectiveness as anticipations did not depend on validity or invalidity in France.

The trial of this case is a classic example of the problems which occur if the necessity is placed upon the court of deciding to what extent the disclosures of foreign patents are in fact embraced within their claims. We contended that the claims of the Argentine and Panama patents included the shaving cream examples of the patent. The trial court, despite contrary expert testimony, decided the other way.

To require the Patent Office to determine the effect and scope of foreign patent claims on each occasion where it must treat with a foreign patent as prior art would impose on the Patent Office an extraordinary administrative burden. This burden could be relieved by an authoritative ruling that "patented" for the purposes of anticipation includes not only what is claimed, but also what is disclosed in the specifications.

Is Typewriting Printing?

The issue as to whether or not a typewritten foreign patent qualified as a printed publication under 35 U. S. C. §102(a) quoted above (pages 25-26) was also raised by the Argentine and Panama patents (App. 606-07). If they qualified as printed publications it would not have mattered whether the shaving cream formulas were covered by the claims.

The undisputed facts demonstrated that, but for the fact that Argentine and Panama patents are printed by typewriting rather than by printing press, the handling and distribution of patents in Argentina and Panama are the same as the handling and distribution of United States patents in the United States. These have always been treated as printed publications.

The official copies of both the Argentine and Panama patents were on file in government offices of those countries (App. 251, 259). In each country an official notice of the issuance of the patent was printed on a printing press and distributed to the public as is the notice of issuance of a United States patent which appears in the Official Gazette (App. 252, 259; PX 159, App. 706; PX 161B, App. 707). In Argentina the first claim appears in this publication in a manner similar to the selected claims appearing in the

United States Official Gazette (PX 159, App. 706). The public was entitled to secure copies of the patents for a small fee (App. 251-2, 259). Copies of United States patents are available in this country upon payment of twenty-five cents.

The decision of the district court is generally in conflict with the holding of the Court of Appeals for the Sixth Circuit in *Hamilton Laboratories, Inc.* v. *Massengill*, 111 F. 2d 584 (6th Cir.), *cert. denied*, 311 U. S. 688 (1940). There the court stated (p. 585):

> "We think intent that the fruits of research be available to the public is determinative of publication under the statute whether the paper be printed or typewritten, although the court below decided otherwise."

The refusal of the district court to accept the disclosures of the Argentine patent as prior art is in direct conflict with the decision of the Court of Appeals for the Second Circuit in *Helene Curtis Industries, Inc.* v. *Sales Affiliates, Inc.*, 109 U. S. P. Q. 159 (2d Cir. 1956).

That case presented the identical fact issue raised here with respect to the disclosures of a typewritten Canadian patent which were not covered by the patent's claims.

There, the court stated (109 U. S. P. Q. at 166):

> "The defendant now contends that Speakman's Canadian patent was not a prior art reference because it was typewritten—not printed. That contention we think untenable. Sirocco Engineering Co. v. B. F. Sturtevant Co., 2 Cir., 220 F. 137. Cf. Trico Products Corp. v. Delman Corp., 8 Cir., 180 F. 2d 529."

It was not clear from the court's decision whether the basis for its ruling was that the Canadian patent qualified

as a patenting "in a foreign country" or as a "printed publication." In any event, the case is in conflict with the decision of the district court on one or the other of these issues and perhaps on both.

Again, it is obvious that the question of whether the specifications of typewritten foreign patents qualify as prior art is of great importance to the Patent Office and others concerned with patent validity. Accordingly, this issue should be definitively disposed of by this Court.

Unfounded Trade Secret Charges Prejudiced the Case

By way of chapter headings the Court of Appeals divides its opinion into two sections, "1. The Validity of the Patent" and "2. The Trade Secrets."

Nonetheless, in the first section of its opinion dealing with the patent, the Court of Appeals expressly advances as evidence of validity its own conclusion that "the expert chemists of Colgate had tried unsuccessfully to produce" (p. 22a) and that "one of the largest soap manufacturers of the country * * * had been trying in vain to develop a similar product but had been unable to do so until the knowledge of one of the patentees was obtained." (p. 24a).

The extravagance of the conclusion which the Court of Appeals reached is clear upon the face of the record. A large number of manufacturers had achieved a pressurized shaving cream without any possible access to confidential information (DCX 17, App. 725). Colgate too, prior to any occasion on which plaintiffs charged access to confidential information, had produced a pressurized shaving cream using its own lather shaving cream with the Freon 12-Freon 114 combination of propellants which it had obtained from duPont (App. 332). All such shaving creams are

clearly embraced within the Spitzer claims (see Appendix A hereto, pages 3a to 5a).

The Colgate product on a blind consumer test in comparison with plaintiffs' product "Rise"—also made prior to any occasion when plaintiffs charged access to confidential information—was rated superior in all respects except the odor of the perfume. A report of this test (DCX 208) is attached hereto as Appendix C. There is no suggestion in the record that plaintiffs assert any trade secret or patent right with respect to the perfume, a common ingredient in shaving creams.

Two fortuitous events happened thereafter which in the light of subsequent events were crucially unfortunate for Colgate and for all of those affected by the claims of the Spitzer patent.

For one thing, Colgate concluded that the product it had developed was characterized by some unevenness of discharge (App. 334). It concluded on the other hand that products such as "Rise" were characterized by the fact that an insufficient amount of the soap product could be ejected from the can (App. 330, 341-2; DCX 103-04, App. 836-7). They desired to eliminate these two deficiencies from the product which they finally put on the market.

The second unfortunate fact was that a young chemist named Norman Fine applied to Colgate for a job (App. 468-9). Colgate checked his qualifications with his former employer, Snell Laboratories. They recommended him and Colgate accepted his application and paid him their normal salary—$380 per month (App. 508-10).

Virtually all of Fine's professional experience had been in the aerosol field (App. 459 *et seq.*). When Allen, Colgate's engineer who had been working on pressurized

shaving cream left for another job, Fine was shifted from work on aerosol shampoos to the problem of getting more shaving lather to discharge smoothly from an aerosol can (App. 337).

Fine succeeded by mixing the Colgate soap and the "Rise" soap which produced an end product better than either soap used alone (App. 337-8). Both of the soap formulas were old (App. 385 *et seq.*). Every important aspect of the "Rise" formula was known to Colgate prior to the coming of Fine (App. 120, 329-30; DCX 104, App. 837).

Fine, however, has been tagged as the villain of the case ever since.

Every aspect of the "Rise" formula and every aspect of Colgate's work after the coming of Fine has at one point or another been advanced as involving a trade secret of plaintiffs. Each of these charges has been used to support the contention that pressurized shaving cream involved invention. Most were abandoned before the trial was over.

Because Colgate "did not" market a shaving cream in an aerosol can before hiring Fine, the Court of Appeals—but not the trial court—concluded that Colgate "could not." "Did not" was converted into "could not" and that "could not" was made the compelling rationale for sustaining Spitzer against all comers. The conclusion is in complete conflict with Colgate's consumer test, made prior to Fine's coming, and set forth as Appendix C hereto.

The trial court expressly found that "there is no evidence that Colgate induced Fine to come to them" (App. 623) nor that the "employment of Fine was originally arranged for the specific purpose of having him divulge confidential information about * * * 'Rise'" (App. 623).

Nonetheless the courts below found that Fine did—that he somehow must have passed along some secret (App. 623, 635-6). They made this finding, moreover, despite the fact that plaintiffs never have asserted that Claim 21, the one claim defining the Rise formula, was infringed.

Fine was also accused and found guilty of having advised Colgate to "superfat" its composition and assisted Colgate in developing a superfatting formula never known to the plaintiffs (App. 119-20, 623).

Colgate filed patent applications on these two innovations with respect to which Fine had participated (App. 623). Neither has been granted.

Upon such considerations as these, was the Spitzer patent sustained.

If there is a public interest in the determination of patent validity—and this Court has several times emphatically stated that there is—it was highly prejudicial to permit such considerations to creep in and sway the judgment of the court.

The prejudice to the public interest is epitomized by the predicament of co-defendants Stalfort and Read. They were not charged with trade secret appropriation. They sought and were denied a separate trial.

The adjudication of the validity of all 21 claims of the Spitzer patent against all of the public on the basis of extraneous considerations was error of the most prejudicial kind.

Reasons for Allowance of the Writ

Petitioners' prayer for a writ of certiorari should be granted for the following reasons:

1. The claims of the Spitzer patent monopolize the products of an entire industry and were sustained in direct conflict with the applicable decisions of this Court.

2. The lower courts departed from the accepted course of judicial procedure in excluding evidence, revising and making fact determinations without evidence and in refusing to review issues of law. This requires an exercise of the corrective jurisdiction of this Court.

3. The case directly raises issues of great importance to the administration of the patent laws by the Patent Office and lower courts which require definitive determination by this Court.

CONCLUSION

For the foregoing reasons petitioners respectfully request that this petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX A

The Claims of the Spitzer Patent

The twenty-one claims of the Spitzer patent are clothed in technical jargon which gives seeming specificity. When this technical terminology is translated into plain language, however, the disparity between the scope of the Spitzer claims and the narrow limits of the Spitzer "invention" as defined by the Court of Appeals becomes apparent.

Each of the twenty-one claims is drawn to "a package" made up of certain named elements.

The "package" is defined in each claim as the "combination" of a series of elements,—a container or can, a soap solution and a propellant. The claims differ only in the way in which each characterizes the soap solution and the propellant.

The Container or Can

Each of the twenty-one claims specifies this item in the same language as:

> ". . . a pressure tight container having a valve-controlled opening."

In short, any aerosol can whatsoever answers to the call of the claims in this respect.

> ". . . a small can with a press-button, outlet valve" is what is commonly used (Trial Court's Opinion, App. 594).

The Use of the Package

Each of the twenty-one claims characterizes the use of the package in the same language, viz.:

> ". . . for use in producing a stable lather."

Analysis of Technical Language of the Claims

The adjective "stable" has no definite meaning on the record here.

The word "stable" does not, for example, characterize the lather as being one which is necessarily stiff enough, or durable enough for shaving. It is conceded that ". . . all the claims cover compositions that are useful both for shampoos and shaving creams" (App. 45). Yet the lather for shampoos is a "looser, coarser, less stable lather" than the "heavy, creamy, highly stable lather" for shaving (PX 37, Pltfs.' App. 453).

In short, the word "stable" adds nothing to the definition of the lather produced by the claimed combination.

The State of the Mixture in the Can

Each of the twenty-one claims describes the physical state of the mixture in the can in the same language, as:

> ". . . a composition . . . consisting essentially of a liquid mixture of an aqueous soap solution and a volatile propellant in liquid phase, the composition being confined in the container under the vapor pressure of the propellant . . ."

Two liquids are thus called for to make up this "liquid mixture" in the can. One is watered soap and the other the propellant.

So far all these twenty-one claims have said is that a water solution of *any* soap is mixed with *any* volatile liquid propellant and put in *any* kind of aerosol can so that some kind of a lather or foam (whether stiff and creamy or loose and runny is not specified) will squirt out of the can.

Analysis of Technical Language of the Claims

The Soap Solution

The claims go on to characterize the aqueous (water) soap solution in various aspects.

Gelling

Each of the twenty-one claims specifies that the soap solution:

"... is non-gelling at room temperatures."

That is a reasonable but not very profound limitation. If the soap is to be squirted out of an aerosol can it should not gel—become a solid—at least at ordinary room temperatures.

Chemical Composition of the Soap

As to the kind of soap employed, claims 1, 16, 17 and 19 are content to leave it simply at calling for "soap", any kind of soap. Indeed, it is even broader than that for the patent defines "soap" as including not only all true soaps but also "soluble foaming wetting agents"—in other words, the synthetic detergents (Appx. 388).

Claims 2, 3, 4, 11 and 12, specify that:

"... a substantial proportion [without otherwise defining 'substantial'] of the soap in said solution comprising at least one soap selected from the group consisting of the soaps of potassium, sodium and the water soluble aliphatic amines. ..."

The breadth of that "group" is demonstrated by the fact that all soaps are the salts formed by reacting an alkali

with a fat. All that has been named are three classes of alkalies (potassium, sodium and the designated amines) leaving open the selection of any of the dozens of animal and vegetable fats of commerce to go into the soap. Those three classes of alkalies are the principal three used in commercial soap making (App. 384-5). Such chemical double-talk is simply a longer way of saying "soap".

Claim 5 further characterizes the fat used in making some of the soap "comprised" in the composition as " . . . a higher fatty acid triethanolamine soap", while claims 6 to 10 call it even more specifically "triethanolamine stearate", the last two claims in the group mentioning 30%. The inventors' own report from which the patent application was prepared acknowledges (PX 37, App. 666):

> "It is well known in the art of producing lather shaving creams that soluble stearate soaps form stable, creamy lather excellent for shaving. Ordinary lather shaving preparations consist largely of potassium stearate or triethanolamine stearate or both."

That same report then goes on to acknowledge that in such shaving soaps:

> "It is not unusual to modify the properties of the lather by including soaps of other than stearates; i.e., soaps of . . . coconut oil . . . " etc.

Sure enough, more detailed claims follow which embrace coconut oil soap along with the stearate soap.

Claims 13 and 15 designate the soap as being one of

> " . . . the higher saturated fatty acid soaps of [any of the three groups of alkalies discussed above]."

Analysis of Technical Language of the Claims

Standard chemical texts usually list some nine "higher saturated fatty acids" as of common usage. Two of those are "stearic" and "lauric" fatty acids which occur, respectively, in animal fats and coconut oil. These are extremely common ingredients for commercial soaps (App. 34-35).

Claims 14, 18 and 20 specify higher saturated fatty acid "triethanolamine" soap, also a well known soap for shampooing and shaving (PX 37, App. 666).

Defendants' expert, Dr. Smith, testified, and without contradiction, that it was "common" in the field of toilet articles to use soaps of stearic acid and coconut oil fatty acids and that it would "not be unusual", indeed, "rather common" to find a ratio of 20 parts of coconut fatty acid to 80 parts of stearic acid (App. 386).

It is the latter ratio (4 to 1) which Spitzer's claim 21 specifies for stearic acid and coconut oil soaps.

In summary then, claims 1, 16, 17 and 19 specify as to the kind of soap used simply that it may be any kind of soap or detergent. Claims 2, 3, 4, 11 and 12 specify that it may be any ordinary soap of commerce. And the remaining claims specify that it should contain at least one of the soaps common for shaving creams or other toilet articles. Only in claim 21 are the specific soaps and their total amounts given.

Ratio of Soap to Water

The first fifteen of the patent's twenty-one claims each specifies in the same terms that the solution in the can:

> ". . . contains at least about 5% and not substantially exceeding about 30% by weight of soap."

Analysis of Technical Language of the Claims

Claims 16 to 20 designate the range as:

". . . about 5% to about 18% by weight of soap."

But again the range is just as arbitrary as the first on the face of the record quoted below. Claim 17 specifies ". . . about 10% by weight of soap." Finally, claim 21 calls for 2% and 8% by weight of two soaps, the balance of the soap solution presumably being water.

Those percentage ranges are not critical. They are arbitrary, broad designations of ranges selected to embrace anything that might be useful. Even in that they are not broad enough. The patent itself candidly acknowledges:

> "The amount of soap employed to form the aqueous soap solution of our composition is not critical and generally depends upon the nature of the soap used." (Col. 3, ll. 67-70)

It goes on to acknowledge that the low limit is intended to be simply "the minimum amount that gives a satisfactory lather" and that the upper limit "is fixed either by economic considerations or by the amount which will form a gel." (Col. 3, ll. 70-75)

The inventors' own technical report (PX 37, App. 667), from which the patent application was prepared, shows even more clearly how arbitrary the 5 to 30% range is. Thus:

> "The lowest usable concentration depends on the nature of the soap. For triethanolamine stearate it is in the neighborhood of two to three per cent. Addition of oleate (therefore of most vegetable oil soaps) increases the lowest usable concentration as does the presence of some sodium soap."

Analysis of Technical Language of the Claims

So for all their seeming precision of percentages, all the claims actually say, in substance, is:

"use enough soap but not too much."

Propellant

Finally, the claims characterize in various ways, the propellant which is to be included in the "package".

Chemical Identification

Claims 1, 2, 5, 12, 13, 14 and 15 all say the propellant is:

> ". . . a halogenated alkane having not more than two carbon atoms and containing at least one fluorine atom, the atomic weight of each substituted halogen atom not exceeding 36, . . ."

A shorter and much clearer way to say the same thing would be "some swamp gas reacted with fluorine and also with some chlorine, if desired".

An "alkane" is any one of the so-called methane series of organic compounds and which total in the millions. Specifying "not more than two carbon atoms" narrows it to the methanes and ethanes and which are of common occurrence in swamp gas. To "halogenate" a material means to react it with one or more of the family of elements chemists call "halogens" viz: chlorine, fluorine, bromine and iodine. To say, as the claims do, "the atomic weight . . . not exceeding 36" simply means that we limit the halogen family to chlorine and fluorine since bromine and iodine are of greater atomic weight than that. So all that is being said is ethane or methane of swamp gas, reacted with fluorine and also with chlorine if desired.

Analysis of Technical Language of the Claims

"Freon" and "Genetron" are the trade names under which such gases are commonly sold. Out of those available, the patent lists (Col. 6, ll. 3-10) as examples, Freon 114, Freon 113, Freon 12, Freon 22, Freon 11, Genetron 100 and Genetron 101. Inspection of their formulae given in the patent shows they all fall within the language quoted above from claims 1, 2, 5 and 12 to 15.

Claims 3, 4 and 6 to 11, each of which is dependent on claim 2, specify a particular one of those Freons as "comprised" in the propellant. Careful note of the word "comprise" is imperative for it is conceded that in many instances (Freon 113 is an example) the designated Freon has so low a vapor pressure that it cannot be used alone.

In summary then, all of the first fifteen claims define the propellant broadly enough in terms of chemical composition, to embrace any one of the listed Freons or Genetrons and, in some instances, require that some unspecified portion shall be a particular one.

Claims 16 to 18 characterize the propellant as:

> "... at least one compound selected from the group consisting of ... fluorinated-chlorinated ethanes and methanes in which all of the hydrogen atoms are replaced by chlorine and fluorine and in which the number of fluorine atoms in the molecule at least equals the number of chlorine atoms, ..."

From what has already been said in reference to the terminology of the first group of claims, it will be apparent that the phraseology is, in fact, completely synonymous except for the final qualification as to relative amounts of fluorine

and chlorine. That final qualification applies to or embraces Freons 12, 114 and 113, but it excludes Genetron 101 and Freons 11, 21 and 22 (PX 37, App. 669).

Finally, claims 12 and 19 to 21 specify the use of Freons 12 and 114 in combination—claim 21 giving the particular proportions.

Solubility in Water

The claims also characterize the propellant in terms of its solubility in water. The characterization is, however, so broad as not to alter in any way the number of the Freons and Genetrons that would be embraced in any particular claim out of the list of examples in the patent.

Claims 1 to 10 and 12 to 15 say on this subject, and all in the same language:

> ". . . having a solubility in water not exceeding about 32 cc. of gas to 100 grams of water at atmospheric pressure and 25° C."

Claims 16 to 20 say simply that the propellant required is ". . . substantially water-insoluble", while claims 11 and 21 are silent on the subject.

The origins of the arbitrary limitation to "32 cc." are to be found in the report PX 37 from which the application for patent was prepared. Appended to it are several tables. Of these Table VIII lists water solubility values for a number of gases. All eight of the Freons and Genetrons given as examples of the patent appear. Of them Freon 22 is given as having a solubility of 31.1, being the highest value of any of these eight. Incidentally, the values are not given in that table for some of the eight, but they are given in another tabulation prepared by the same people

(App. 677). It is thus evident that the value 31.1 was rounded off as 32 so as to embrace the whole series of eight gases.

Ratio of Propellant to Soap Solution

Lastly, some of the claims seek to give a further air of specificity by designating a ratio of propellant to soap solution. Thus, claims 1 to 15 all say in the same language:

> ". . . the proportion of propellant being from about 0.2 to about 0.0125 mole per 100 grams of the composition."

While claims 16 to 20 all call for:

> ". . . the proportion of propellant being from about .07 to about .025 mole per 100 grams of the composition."

Claim 21, being drawn in terms of percentage for each ingredient, has no statement of ratio, as such.

As to just how much, or how little, those decimal numbers mean, Reich (one of Spitzer's co-patentees) testified in reference to this language of the claims (App. 42-43) that "these figures here are a kind of left-handed way of specifying the lather density", and that the range specified "includes the density suitable for shampoo". Indeed, the examples given in the patent itself, and all of which are within the claimed range, "ranged in properties all the way from a material that would be very satisfactory for shaving down to material which came out in the form of a very wet, runny lather which would not be satisfactory for shaving but would be suitable for use as a shampoo or for washing purposes" (App. 389).

Analysis of Technical Language of the Claims

Pressure of Propellant

Claims 1 to 10 and 12 to 15 each says in the same language:

> ". . . said propellant having a vapor pressure in the range from about 5 to about 300 pounds per square inch gauge at 70° F."

Claims 16 to 20 bring the range down to:

> ". . . about 15 to about 65 pounds per square inch gauge at 70° F."

Claims 11 and 21 are silent on the subject.

Those ranges are purely arbitrary as the patent acknowledges. They run from the least pressure feasible for pushing soap out of the can to the highest any container is likely to be able to tolerate (App. 25).

In summary, the claims here are disguised in a maze of technical jargon. Yet upon analysis it is apparent that they monopolize as a "package" the simple combination of an aerosol can containing a mixture of soap in water together with a volatile propellant. Insofar as soaps are concerned they specify either any soap or detergent, or in some instances simply the commercial soaps long used for shaving creams. Insofar as propellants are concerned the claims specify simply the standard Freons most commonly used by the prior art and recommended to the patentees by the makers.

APPENDIX B

Opinion of the United States Court of Appeals for the Fourth Circuit Filed March 8, 1956

PARKER, Chief Judge:

This is an appeal in a case involving patent infringement and appropriation of trade secrets. The patent in suit is United States Patent No. 2,655,480 issued October 13, 1953 to one Spitzer and others relating to a pressurized shaving cream. The plaintiffs in the court below, appellees here, were Spitzer and his partner Small, holders by assignment from the other patentees, and Carter Products Inc., manufacturer of drugs and cosmetics and the holder of an exclusive license under the patent. The defendants below, appellants here, were the Colgate-Palmolive Company, the manufacturer of a pressurized shaving cream alleged to infringe, the Stalfort Pressure-Pak Corporation and John C. Stalfort & Sons, Inc., who packaged pressurized shaving cream alleged to infringe the patent for the Mennen Company, and the Read Drug & Chemical Company, Inc., which sold the pressurized shaving cream for Colgate and Mennen. Plaintiffs claimed infringement of only eight claims of the patent. Defendants admitted infringement if these claims were valid but denied their validity and asked judgment declaring them as well as all other claims of the patent invalid.

The trial court held the patent valid, and enjoined infringement thereof as well as the use of a trade secret held to have been wrongfully appropriated by Colgate. It also ordered Colgate to assign to plaintiffs rights under patent applications found to have been based upon the trade secret. The case was referred to a special master to determine and

report as to damages resulting from infringement and also as to damages and profits for which Colgate should be required to account because of misappropriation of trade secrets and to make recommendations as to whether the damages on account of patent infringement should be increased as allowed by statute, reserving, however, for future determination the question as to whether increased damages should be awarded. Judgment was entered that plaintiffs recover their costs and taxable disbursements to date, including against Colgate reasonable attorneys' fees, and the special master was directed to include in his report a recommendation as to the amount of attorneys' fees to be allowed. Three principal questions are presented by the appeal: (1) Is the patent valid? (2) Should the findings of the trial court as to misappropriation of trade secrets be sustained? And (3) Is the decree proper?

1. *The Validity of the Patent.*

Spitzer, one of the patentees, in the year 1948 conceived the idea of developing a shaving lather which, like the lather produced by machines in barber shops, could be used as it came from the container without being worked up on the face. He employed Foster D. Snell, Inc., consulting chemists, to work out his idea for him in terms of a mixture that could be enclosed in a small container and, upon the opening of a valve, would emerge in the form of a durable lather, which, without whipping up or other agitation, could be used for shaving purposes. Snell put to work on the project two chemists, Reich and Fine, who after several months of work and experimentation developed an emulsion consisting of an aqueous soap solution mixed with certain gases liquefied by pressure, which they enclosed in a container. When the valve of the container was opened

the pressure of the gases extruded the emulsion and, as it came from the can, the particles of gas expanded into minute bubbles covered with soap which was the shaving lather desired. Patent, applied for November 2, 1949, was issued to Spitzer, Reich and Fine October 13, 1953. In the meantime an exclusive license had been granted to Carter and the product was being marketed under the trade name of "Rise". It achieved at once outstanding commercial success. Sales of "Rise" in 1950 amounted to $400,000, in 1951 to $800,000, in 1952 to $1,800,000 and in 1953 to $2,600,000. The sales of Colgate's infringing product in 1954 amounted to $5,000,000.

There was, of course, nothing novel in the use of soap to make lather, nor in the use of a can as a container, nor in the use of a gas liquefied by pressure and mixed with another liquid to spray the mixture from the can. What was novel was to get a mixture of the right gases, with the right soaps in the right proportions, confined in a container under the right pressure, so that a lather satisfactory for shaving purposes would be produced when the mixture was allowed to emerge. In producing such a mixture many problems were encountered and the record shows that their solution took many months. The first experiment consisted in mixing a liquid soap then on the market with nitrous oxide gas, the gas used with pressurized whipped cream. This was a failure because the gas was soluble in the aqueous soap solution and the product extruded from the container was not a lather useful for shaving but a mere soapy liquid. An emulsion consisting of the gas propellant Freon-12 (dichlordifluormethane) and the soap solution used in barber shop machines would not do because the pressure was too high. Reduction of the vapor pressure by mixing Freon-11 (monofluortrichlormethane) with Freon-12 pro-

duced a smarting, skin-irritating product not suitable for shaving. Reduction of vapor pressure with mineral oil solved the pressure problem but produced problems in connection with the soaps. Finally, after much experimentation, sodium soaps were eliminated and the soap solution adopted was a combination of 80 parts of TEA (triethanolamine) stearate and 20 parts of TEA cocoate, to prevent jelling. The proper propellant was found after much inquiry and experiment by mixing Freon-114 (1, 2 dichlor 1, 1, 2, 2 tetrafluorethane) with Freon-12. The trial judge summarized the matter as follows:

"Precisely what is this new combination? The individual ingredients of the shaving soap solutions embraced in the Spitzer patent were old in the art. So were the Freons. Also, Freons had previously been used successfully as propellants in aerosols and insecticides. In other words, the *combination* of some Freons with the Spitzer soap solutions was not new in the art. But the combination of an aqueous soap solution, emulsified in the liquid base with a Freon which had not only low water solubility but which combined the properties of (1) not smarting or burning the face, and (2) good, stable lather, was unknown. There were a number of Freons used in the propellant art which did not smart or burn the face, but they did not afford a good stable lather. Conversely, there were those Freons that were known to give a satisfactory lather but they were disagreeable on the skin. It is this combination of a relatively small group of Freons, that manifest those desirable properties of low water solubility and the optimum characteristics of non-smarting and of lather quality, with aqueous soap solutions that constitutes the invention of Spitzer

and his associates. They discovered that all three of these characteristics were inter-related. They found that Freons having a solubility in water not exceeding about 32 cc. of gas to 100 grams of water to be the type of Freons productive of the optimum of the other two qualities desired in the lather composition. This is what the specifications of the Spitzer patent teach, and all 8 of the claims in suit are responsive to this teaching. Claims 6 and 9 are limited to the use of Freon-114. Claims 8 and 10 are limited to the use of Freon-12. Claims 18 and 20, which are based upon claim 16 as a parent claim, prescribe the use of any one of a group of five Freons, including 12 and 114. Claims 8 (based on claim 2) and 15 embrace the use of a broader group of Freons, but in this group also are *only* Freons that are essentially non-smarting to the face, and stable in lather forming. In fact, the entire 21 claims of the patent are so limited."

The invention is thus described in the specification:

"In general, the above and other objects of the invention are carried out by employing a composition comprising a water solution of a suitable soap or like detergent and a highly volatile organic liquid, hereinafter generally termed a propellant. At least a substantial proportion of the propellant used in the mixture is insoluble in the soap solution and the two primary ingredients are mixed and maintained under sufficient pressure so that the insoluble portion of the propellant is in liquid phase, existing as droplets or in the form of a liquid-liquid emulsion in the soap solution. The mixed primary ingredients are confined at the vapor pressure of the propellant in a pressure-tight container having

an opening controlled by a suitable manually operable valve. When the valve is opened, the pressure on the composition is released as it emerges from the container, with the result that a fine textured creamy lather is produced. The action is apparently such that the volatile propellant liquid, entrapped as an emulsion within the liquid soap solution vaporizes upon the release of pressure therefrom, forming fine gas cells throughout the liquid soap solution and thus forming it into a lather."

Of the claims in suit, claims 2, 6, 10, 16 and 20, may be taken as typical. They are as follows:

"2. A package comprising a pressure-tight container having a valve-controlled opening and containing a composition for use in producing a stable lather consisting essentially of a liquid mixture of an aqueous soap solution and a volatile propellant in liquid phase, the composition being confined in the container under the vapor pressure of the propellant, said soap solution comprising a solution which is non-gelling at room temperatures and which contains at least about 5% and not substantially exceeding about 30% by weight of soap, a substantial proportion of the soap in said soap solution comprising at least one soap selected from the group consisting of the soaps of potassium, sodium and the water soluble aliphatic amines, said propellant being a halogenated alkane having not more than two carbon atoms and containing at least one fluorine atom, the atomic weight of each substituted halogen atom not exceeding 36, the proportion of propellant being from about 0.2 to about 0.0125 mole per 100 grams of the composition, said propellant having a vapor pressure in

the range from about 5 to 300 pounds per square inch gauge at 70 degrees F and having a solubility in water not exceeding about 32 cc. of gas to 100 grams of water at atmospheric pressure and 25 degrees C.

"6. A package according to claim 2, in which a substantial proportion of the soap in the soap solution comprises triethanolamine stearate and the propellant comprises 1, 2 dichlor 1, 1, 2, 2 tetrafluorethane.

"10. A package according to claim 2, in which the soap in the soap solution comprises at least 30% triethanolamine stearate and the propellant comprises dichlordifluormethane.

"16. A package comprising a pressure-tight container having a valve-controlled opening and containing a composition for use in producing a stable lather consisting essentially of a liquid mixture of an aqueous soap solution and a volatile propellant in liquid phase, the composition being confined in the container under the vapor pressure of the propellant, said soap solution comprising a solution which is non-gelling at room temperatures and which contains from about 5% to about 18% by weight of soap, said propellant comprising at least one compound selected from the group consisting of the substantially water-insoluble fluorinated-chlorinated ethanes and methanes in which all of the hydrogen atoms are replaced by chlorine and fluorine and in which the number of fluorine atoms in the molecule at least equals the number of chlorine atoms, the proportion of propellant being from about .07 to about .025 mole per 100 grams of the composition, said propellant having a vapor pressure in the range of from about 15 to about 65 pounds per square inch gauge at 70 degrees F.

"20. A package according to claim 16 in which the propellant consists of a mixture of dichlordifluormethane and 1, 2 dichlor 1, 1, 2, 2 tetrafluorethane and in which the soap in the soap solution comprises a higher saturated fatty acid triethanolamine soap and includes a lesser proportion of sodium soap."

The defendant Colgate-Palmolive became interested in a pressurized shaving cream when "Rise" came on the market; but although it had 200 or more chemists in its service and although it purchased packages of "Rise" and had them analyzed, the record shows that it was unable to develop a satisfactory product until it had employed Fine, who had been working for Snell in the development of "Rise". He gave Colgate the formula which brought success to its efforts and which embodied the formula of "Rise" in combination with a formula which Colgate had theretofore not found successful. He gave Colgate, also, the benefit of knowledge obtained at Snell's with respect to improving the "Rise" formula by superfatting so as to produce a smoother lather and one which gives the feeling on the skin produced by the so-called brushless shaving creams. Colgate had Fine to file applications for patents covering this improved lather. Notwithstanding this experience and attempts to obtain patents in its own behalf on the subject matter, Colgate argues that the patent here in suit is lacking in invention and is anticipated by both domestic and foreign patents and by prior use.

The three domestic patents relied on as anticipations were all considered by the Patent Office before granting the patent. They are Rotheim No. 1,892,750 of 1937, Getz No. 2,294,172 of 1948 and Boe No. 2,524,590 of 1950. We agree with the trial judge that none of these anticipates and that

taken together they do not negative invention in the patent in suit. Rotheim relates to a method of atomizing materials of a liquid or semi-liquid consistency. Liquid soap is given as one of the materials that may be atomized. No Freons are listed as propellants. Getz is a patent for aerating food products such as whipped cream, where a solution and not an emulsion is what is desired. Its only possible relevancy is that it lists among the propellants Freon-12, which has long been used as a propellant of insecticides. Boe relates to spraying. While it lists Freons, among other gases, as propellants and suggests that the gases listed may be mixed to arrive at a desirable vapor pressure, it does not specify which gases. It does not suggest the creation of a lather, but points out how foaming may be prevented.

Foreign patents relied on by defendants were the Belgian Patent to Estignard-Bluard of 1949 and Argentine and Panama patents to Daggett & Ramsdell of 1946. These patents were excluded on legal grounds by the trial court, the Belgian patent on the ground that although the patent was granted by decree prior to the conception date of the invention involved in the patent in suit, it was not opened to the public until after that date, the Argentine and Panama patents on the ground that only the claims of the patent could be considered and these were irrelevant. Assuming without deciding that there was error in the exclusion of these patents, the position of defendants is not helped, since neither of these teaches how to produce the pressurized shaving cream of the patent in suit. The Belgian patent relates to the formation of pressurized gaseous emulsions and lists a large number of gaseous propellants, but not including Freon-114, with all sorts of liquids to be used therewith including soaps as emulsifying agents only. It suggests the problem of developing a pressurized shaving cream but

does not teach which of the propellants should be used for that purpose or with what combination of soaps they should be used. The Argentine and Panama patents relate to spraying cosmetics and, while formulas for shaving creams are included among the cosmetics to be sprayed, none of these formulas would aid in solving the problem which was solved by the patent in suit. They merely list "propellants" without indicating what mixture of propellants is to be used with what mixture of soaps.

Defendants rely upon prior use by Gebauer and Segelken. Gebauer developed a shampoo which jelled and which used Freon-11 as a propellant. It manifestly did not anticipate nor suggest the pressurized shaving cream of the patent. Segelken was the chemist employed by Daggett-Ramsdell upon whose experiments the Argentine and Panama patents were obtained. While he testifies that in the course of his experiments he produced a satisfactory pressurized shaving cream, it is not shown that he used the combination either of propellants or soaps prescribed by the patent or that he eliminated objectionable matters eliminated by that combination or achieved the results obtained by it. The evidence relied upon falls far short of the sort of evidence necessary to invalidate a patent by oral evidence of prior use. See the *Barbed Wire Patent* 143 U. S. 275 284; *Adamson* v. *Gilliland* 242 U. S. 350; *Hoeltke* v. *C. M. Kemp Mfg. Co.* 4 Cir. 80 F. 2d 912, 923.

The real question as to the validity of the patent is not one of anticipation or of prior use but of invention. The question is whether the product of the patent is mere aggregation, in which old elements accomplish independently what they did in the prior art, or whether there is a true combination in which old elements have been combined to produce a

new and useful result. We think that the latter is the case. What we have is not the mere use of propellant gases to extrude shaving soap from a container. But the use of particular propellant gases liquefied under pressure and combined in such way with particular aqueous soap solutions as to produce an emulsion, which, when released from the container, becomes a lather composed of tiny gas bubbles coated with soap and useful for shaving—a product which was new and useful, which the expert chemists of Colgate had tried unsuccessfully to produce, and which achieved at once unqualified commercial success.

A sufficient answer to the argument that nothing more is involved than the skill of the art is that the patentees experimented for months in the effort to produce the pressurized shaving cream of the patent before their efforts finally resulted in success, that Colgate's efforts to produce it proved unsuccessful and that, after it had been produced and Colgate had purchased it on the market and had it analyzed, Colgate's corps of expert chemists were still not able to produce it until the knowledge of one of the patentees was availed of. As said by Mr. Justice McKenna in the Grant Tire case, *Consolidated Rubber Co.* v. *Consolidated Tire Co.* 220 U. S. 428, 435, "Knowledge after the event is always easy, and problems once solved present no difficulties, indeed, may be represented as never having had any, and expert witnesses may be brought forward to show that the new thing which seemed to have eluded the search of the world was always ready at hand and easy to be seen by a merely skillful attention. But the law has other tests of the invention than subtle conjectures of what might have been seen and yet was not. It regards a change as evidence of novelty, the acceptance and utility of change as a further evidence, even as demonstration."

That the product of the patent is a true combination and not a mere aggregation clearly follows from the application of the principles approved and applied by this court in the Canned Heat Patent case, which is very much in point here. *United States Industrial Chemical Co.* v. *Theroz Co.* 4 Cir. 25 F. 2d 387. In that case we quoted with approval the following passage from 20 R. C. L. 1125-1126, which we understand to be a correct statement of the principles of law here applicable, viz.:

"A combination is a composition of elements, some of which may be old and others new, or all old or all new. It is, however, the combination that is the invention, and is as much a unit in contemplation of law as a single or noncomposite instrument. The authorities establish the following propositions respecting the patentability of devices or processes of this character: (1) That a combination is patentable if it produces new and useful results, though all its constituents were well known and in common use before it was made, provided the results are a product of the combination, and not a mere aggregate of several results, each the product of one of the combined elements. (2) If it produces a different force, effect, or result in the combined forces or processes from that given by their separate parts, and a new result is given by their union. (3) If it either forms a new machine of distinct character or formation, or produces a result which is not the mere aggregate of separate contributions, but is due to the joint and cooperating action of all the elements. (4) When the several elements of which it is composed produce by their joint action either a new and useful result, or an old result in a cheaper or otherwise more advantageous way."

The patentability of "Rise" is supported by every criterion here laid down. First it produces a new and useful result, and this result is a product of the combination, and not the mere aggregate of several [illegible] second, it produces a different result in the combined [illegible] or processes from that given by their separate parts, and [illegible] new result is given by their union; third, it produces a result which is not the mere aggregate of separate contributions, but is due to the joint and cooperating action of all the elements; and, fourth, the several elements of which the product is composed produce by their joint action a new and useful result.

The case presented is thus fundamentally different from *Mandel Bros.* v. *Wallace* 335 U. S. 291, where all that was done was to use a drug with a cosmetic preparation to accomplish a purpose for which its availability had long been known and recognized. What we have here is a new and useful composition of matter produced after lengthy experimentation, in which the various elements combine to produce a new and useful result. To the presumption that the finding of the District Judge as to validity is correct, a finding based upon lengthy evidence and the testimony of experts (See *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.* 336 U. S. 271), must be added the presumptions of validity arising from the fact that the patent was issued by the Patent Office, from the fact that the patented product entered at once into wide public use and achieved outstanding commercial success, and from the fact that it was copied by an infringer who was one of the largest soap manufacturers of the country and who had been trying in vain to develop a similar product but had been unable to do so until the knowledge of one of the patentees was obtained.

2. The Trade Secrets.

The District Judge made the following finding as to misappropriation of trade secrets by Colgate, viz.:

"12. That the defendant Colgate-Palmolive Company has wrongfully and unlawfully misappropriated trade secrets of plaintiff by embodying them in pressurized lather shaving compositions as follows:

"(a) By combining the trade secret of the formula of the soap solution in the plaintiffs' product 'Rise' with diluted Colgate lather cream to make 'Rapid Shave No. 1'.

"(b) By employing in some containers of 'Rapid Shave No. 1' plaintiffs' trade secret in the heat annealing process for polyethylene siphon tubes.

"(c) By combining in a pressurized lather-generating composition a soap solution superfatted with petrolatum, carbowax and excess stearic acid, and embodying said secret combination in its products 'Rapid Shave No. 2' and 'Instant Barber Shave'.

"The above-described trade secret of sub-paragraph (c) was not disclosed or claimed in plaintiffs' United States Letters Patent No. 2,655,480, in suit."

In his opinion the District Judge set forth the facts and chronology upon which the foregoing findings were based as follows:

"We find to be correct, by the weight of the credible evidence, the following chronology of what occurred from the beginning of the development of 'Rise' to the institution of the present suit: March 1, 1949: Spitzer,

Reich and Fine began their research and development work, April, 1950: Carter put 'Rise' on the market. May and July, 1950: Colgate analyzed 'Rise,' and endeavored, unsuccessfully, to duplicate it, although claiming that the 'Rise' formula had been completely reproduced but was not found satisfactory, particularly because it did not result in sufficient exhaustion of the product from the can. Also, Colgate was troubled with sputtering of the product. September, 1950: Fine entered the employment of Colgate although he had been a co-inventor of 'Rise'. October, 1950: Fine revealed to Colgate the causes of the sputtering. November, 1950: Fine disclosed to Colgate the precise formula of 'Rise,' and also combined that formula with diluted Colgate lather, to make Rapid-Shave No. 1. Further, he disclosed to Colgate, and to the latter's supplier of valves, the siphon tube annealing process employed by Carter for 'Rise.' August, 1951: Colgate filed in Fine's name a patent application covering the formula of Rapid-Shave No. 1, which embodied his work originally done on 'Rise'. November, 1951: Fine prepared, and disclosed to Hansen, his assistant at Colgate, a duplicate formula for 'Rise,' superfatted, i.e., with excess of fatty matter (soap). September, 1952, until February, 1953: Colgate pursued its experimentation in superfatting the 'Rise' formula with petrolatum, carbowax and excess stearic acid, and then marketed its Rapid-Shave No. 2. September 1953: Colgate filed its second patent application in the name of Fine and associates, based on the development work that Fine had done while employed by Snell."

We agree with the District Judge that Colgate must be held to liability for the appropriation and use of the "Rise"

formula in developing its shaving cream. That formula had been developed in the confidential work of Snell for Spitzer. Fine as an employee of Snell was under contract with Snell not to disclose information obtained in the course of this work. Colgate knew of Fine's employment and of his work on the development of "Rise", which Colgate had been unable to produce even after purchasing it on the market and having it analyzed. Although Colgate had twice before this refused to employ Fine, and although it knew of the confidential nature of his employment with Snell, it proceeded to employ him while it was engaged in the effort to develop a pressurized shaving cream and, within a month of his employment, put him to work on the problem, which he solved immediately by using the "Rise" formula in combination with a formula which Colgate had found unsuccessful.

With respect to the superfatting, it appears that this was worked out at Snell's to give the lather a "brushless effect" after the patent in suit had been applied for. It also appears that Fine, who had developed the superfatting process in the course of his work at Snell's, suggested it to Colgate and that Colgate adopted the process and caused an application for a patent covering it to be filed by Fine.

On these facts, there can be no question but that Colgate used the knowledge of Fine in producing its pressurized shaving cream or that this knowledge related to matters which were trade secrets of Spitzer and his associates. That Colgate did not enter into an open bargain with Fine to disclose this confidential information is no defense. Nor is it a defense that Fine upon his employment was entitled to use his skill in Colgate's interest. He was not entitled to give to Colgate the benefit of business secrets which had been disclosed to him at Snell's; and Colgate could not close its eyes to facts which clearly indicated that this was what

he was doing, even if he had not been employed for that express purpose. One may not escape liability for appropriating the business secrets of another by employing one who has been entrusted with the secrets and permitting him to make use of them. With respect to this the District Judge said:

"* * * it is not necessary to, nor do we find that Colgate's employment of Fine was originally arranged for the specific purpose of having him divulge confidential information about the 'Rise' patent that he had acquired at Snell's. The basis of our decision that Colgate's action was wrongful is that Colgate knew, or must have known by the exercise of fair business principles, that the precise character of Fine's work with Snell was, in all likelihood, covered by the agreement which Fine had with Snell not to divulge trade secrets, and that, therefore, Colgate was obligated to do more than it did towards ascertaining the extent to which Fine was, in fact, restricted in what he might disclose to Colgate. That it was wrong for Colgate not to go further than it did in this respect is confirmed by the very status of Fine when he came to Colgate. At that time Fine was a joint inventor and patentee of 'Rise.' In other words, Fine was willing to be, and was knowingly placed by Colgate in work that was in direct competition with the work in which Fine had shared at Snell's, resulting ultimately in his own patent. The very fact that Fine would do this should, per se, have raised in the minds of the representatives of Colgate, who arranged the employment of Fine, a feeling that he was entering upon a rather strange employment under the circumstances. It, therefore, was not enough for Colgate to say that they would see that Fine lived up to the limi-

tations imposed by his contract with Snell. The weight of the credible evidence discloses that Colgate was far from being sufficiently avid to ascertain what those limitations really were, and to have Fine live up to them."

The principles of law applicable are well settled and are well stated in section 757 of the A.L.I. Restatement of Torts as follows:

"One who discloses or uses another's trade secret, without a privilege to do so, is liable to the other if

* * *

"(e) he learned the secret from a third person with notice of the facts that it was a secret and that the third person discovered it by improper means or that the third person's disclosure of it was otherwise a breach of his duty to the other, * * *."

Directly in point in support of the proposition thus stated are *Peabody* v. *Norfolk* 98 Mass. 452, 96 Am. Dec. 664 (opinion by Gray, J.); *Nulomoline* v. *Stromeyer* 3 Cir. 249 F. 597; *Herold* v. *Herold China & Pottery Co.* 6 Cir. 257 F. 911; *A. O. Smith Corp.* v. *Petroleum Iron Works of Ohio* 6 Cir. 73 F. 2d 531, 539; *Ferroline Corp* v. *General Aniline & Film Corp.* 7 Cir. 207 F. 2d 912, 921; *Seismograph Service Corp.* v. *Offshore Raydist* (E.D.La.) 135 F. Supp. 342, 354; *Lamont C. & Co.* v. *Bonnie Blend Chocolate Corp.* 238 N. Y. S. 78. See also *Smith* v. *Dravo Corp.* 7 Cir. 203 F. 2d 369, 375; *Franke* v. *Wiltschek* 2 Cir. 209 F. 2d 493, 495. *Nulomoline* v. *Stromeyer, supra,* was a case in which the appropriation of the trade secret resulted, as here, from the employment of one to whom it had been imparted in the course of a former employment. In *Herold* v. *Herold*

China & Pottery Co., supra, Judge Knappen, speaking for the Court of Appeals of the Sixth Circuit, stated the rule as follows:

> "The rule is well settled that secret formulas and processes, such as are claimed to be involved here, are property rights which will be protected by injunction, not only as against those who attempt to disclose or use them in violation of confidential relations or contracts express or implied, but as against those who are participating in such attempt with knowledge of such confidential relations or contract, though they might in time have reached the same result by their own independent experiments or efforts."

We do not think that the finding, 12(b), with respect to the annealing of the polyethylene tubes by dipping them in hot water can be sustained. While Fine learned of this at Snell's and communicated his knowledge to Colgate, the process was one which was well known and cannot be treated as a trade secret or a confidential disclosure. *American Potato Dryers* v. *Peters* 4 Cir. 184 F. 2d 165, 172; A.L.I. Restatement of Torts sec. 757 Comment (b) pp. 5-6. This, however, is not material since no injunctive relief is granted with respect thereto and the damages, whether based on the use of the original "Rise" formula or the superfatted formula, would not be affected thereby.

3. *The Decree.*

Decree was properly entered enjoining infringement of the patent and awarding damages because of infringement, and, as to Colgate, awarding damages from the time that this defendant began using the trade secrets which it had obtained by the employment of Fine. *Hoeltke* v. *Kemp Mfg.*

Co. 4 Cir. 80 F. 2d 912, 922, 923; *C. & O. R. Co.* v. *Kaltenback* 4 Cir. 95 F. 2d 801, 806; *Ackerman* v. *General Motors Corp.* 4 Cir. 202 F. 2d 642, 645. The decree properly ordered that all rights under the patent applications filed by Fine at Colgate's direction be assigned to plaintiffs. Without intimating any opinion as to whether patent should issue on these applications, we think it clear that, if patents should issue, all rights therein, in equity and good conscience, belong to plaintiffs, since the discovery or invention involved was made by Fine while employed for the purpose of making it. *Standard Parts Co.* v. *Peck* 264 U. S. 52; *Becher* v. *Conture Laboratories* 279 U. S. 388; *Houghton* v. *United States* 4 Cir. 23 F. 2d 386, 388; *Saco Lowell Shops* v. *Reynolds* 4 Cir. 141 F. 2d 587; *Reynolds* v. *Whitin Machine Works* 4 Cir. 167 F. 2d 78, 86; *Shellmar Products Co.* v. *Allen-Qualley Co.* 7 Cir. 36 F. 2d 623.

Question is raised as to the awarding of attorneys' fees against Colgate under 35 USC 285; but this was a matter resting in the sound discretion of the trial court and we cannot say that the discretion was abused. *Orrison* v. *C. Hoffberger Co.* 4 Cir. 190 F. 2d 787, 791; *Aeration Processes Inc.* v. *Walter Kidde & Co.* 2 Cir. 177 F. 2d 772; *Pacific Contact Laboratories* v. *Solex Laboratories* 9 Cir. 209 F 2d 529, 533. This is not an ordinary case of infringement. It is a case of deliberate and wilful infringement based upon and made possible by appropriation of trade secrets upon the basis of which Colgate has itself attempted to obtain a patent. The court below has termed the defense "specious". Whether "specious" or not, the circumstances were certainly sufficient to make this an "exceptional" case within the meaning of the statute, the purpose of which was to give the court power to throw the burden of unnecesary and vexatious

litigation on the shoulders of those who are responsible for it.

Other questions raised by the appeal warrant but scant mention. It is urged that there was error in refusing to require plaintiffs to furnish to defendants the correspondence passing between plaintiffs' agents and counsel with reference to the Rotheim patent when it was being considered by the Patent Office in connection with the patent in suit. The motion was denied on the ground that it involved privileged communications of counsel, but the correspondence was proffered for examination by the court. Aside from the question of privilege, it is a matter resting in the discretion of the court as to how far parties should be allowed to go in a fishing expedition of this sort; and there is nothing to show that the discretion was abused or that there was anything in connection with this correspondence which would warrant our sending the case back for rehearing. The same may be said as to the action of the court in holding the parties to the trial of the issues involved in the case and in excluding evidence offered with respect to the use of propellants in the art relating to insecticides. Complaint is made that the trial judge was impatient with counsel, but an examination of the record shows that he tried the case carefully and with a great deal more patience than most judges would have exercised under similar circumstances. He gave six weeks to a case which should have been tried in a much shorter period, and at its conclusion counsel for defendants expressed their appreciation of the patience which he had exhibited throughout the trial.

The decree appealed from will be affirmed.

Affirmed.

APPENDIX C

Colgate Trial Exhibit 208

October 20, 1950

E. L. Richardson

Dr. Arthur L. Fox

AEROSOL SHAVE CREAM

Panel Test #2

Purpose

The purpose of this test was to compare "Rise" aerosol shaving cream with TA-70-57, a similar product developed at Colgate.

Scope

Fifty sets of samples were given out on August 24, 1950. The Rise was purchased and relabeled with the letter "D". Our product TA-70-57, labeled "M", was packaged in the same size Crown Can (6 oz. Squat) and fitted with a Precision valve with the outlet modified with an aluminum side stem.

The formulation TA-70-57 is a dilution of our regular Colgate Lather Shave Cream from about 42% soap to 7% soap. The cream was perfumed with 1% K-44-286, which was prepared by the Perfumery Division for this product. All percentages are on a propellant-free basis.

37 replies were received.

Colgate Trial Exhibit 208

Results

1. Which product do you prefer for the following qualities?

	Rise	*Colgate*	*No preference*
a. Consistency of lather?	9	15	12
b. Ease of spreading?	7	14	16
c. Feels better on the face?	13	11	13
d. Glide of razor over face?	7	12	18
e. Cleaner, smoother shave?	7	9	21
f. Left face feeling better?	10	9	18
g. Odor	23	10	3

2. How do you rate the odor of "D" (Rise)

Too strong	6
Just right	26
Too weak	5

3. How do you rate the odor of "M" (Colgate)

Too strong	20
Just right	15
Too weak	1

4. Overall, which of these shaving products do you prefer?

Rise	17
Colgate	17
No choice	4

Colgate Trial Exhibit 208

5 & 7. *Likes*:

	Rise	*Colgate*
Odor	10	4
Better Shave	2	0
Feel on face	2	0
Ease of rinse	1	2
Ease of spreading	1	0
Good shave	1	3
Doesn't dry out	1	0
Cooling effect	1	0
Dispenser	1	0
Convenience	1	1
Not greasy	0	1
Lather consistency	0	4
Anesthetic feel on face	0	1
Did not dry up	0	1
Softens whiskers better	0	1
Valve doesn't leak	0	1
More rapid extrusion of cream	0	1
Better nozzle	0	3
Better pressure	0	1
Positive shut off of valve	0	1

6 & 8. *Dislikes*:

	Rise	*Colgate*
Odor	2	13
Rubbery lather	1	0
Poor shave	3	2
Feel of face after shaving	1	1
Shave too dry	1	3
Not viscous enough	1	0
Lather too heavy	2	0
Lather dried too quickly	3	2
Messy to use	1	0

Colgate Trial Exhibit 208

	Rise	*Colgate*
Pressure too low	1	0
Left face raw	1	0
Lather sticks to fingers	0	1
Astringent feel	0	1
Appearance	0	1
Have to open valve	1	0
Leakage after use	7	1
Ring of rust on sink	2	2
Requires shaking	1	0
Bulky package	1	1
Nozzle too close to can	1	0
Side stem too small	0	1

Conclusions

The chief difference noted between Rise and TA-70-57 was the odor. According to this test, Rise has a decided edge in perfume. However, in spite of this, the overall preference was evenly divided.

(Signed) E. L. Richardson
E. L. Richardson

ELR/jd
cc: Dr. E. E. Dreger
Dr. K. L. Russell
Dr. L. D. Apperson
Mr. W. T. Egan
Mr. R. P. McGhie
Mr. J. F. Kiehl

FILED
JUL 7 1956
JOHN T. FEY, Clerk

IN THE

Supreme Court of the United States

October Term 1955

No. 150

COLGATE-PALMOLIVE COMPANY, STALFORT PRESSURE-PAK CORPORATION, JOHN C. STALFORT & SONS, INC., and READ DRUG & CHEMICAL COMPANY, INC.,

Petitioners,

v.

CARTER PRODUCTS, INC., JOSEPH G. SPITZER, and MARVIN SMALL,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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Explanation of Abbreviations Used in this Brief

Abbreviation	For
Pet.	Petition
P. A.	Plaintiffs' Appendix to Court of Appeals Brief
D. A.	Defendants' Appendix to Court of Appeals Brief
PX	Plaintiffs' Exhibit
DX	Defendants' Exhibit
DCX	Defendant Colgate's Exhibit
Tr.	Trial transcript page (not printed)

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To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

This Is a Usual Patent Suit.

Apart from the trade-secret piracy and the consequent deliberate infringement of plaintiffs' invention by petitioner Colgate, this is the usual patent suit. Infringement was conceded, and the validity of the patent is sustained by the concurrent holdings of the courts below. The rulings

are those normal to patent litigation where the patent is upheld. The usual defenses of anticipation, non-invention and prior uses were presented to the courts below and disposed of adversely to petitioners in carefully considered opinions. No conflict of decisions on the patent in suit exists or has been asserted.

The Patented Invention Truly Promotes the Progress of Science and the Useful Arts.

The invention of the patent in suit is a pressurized self-generating lather composition. The composition is an emulsion of two liquid ingredients in a new physical-chemical relationship that automatically generates a lather for shaving, shampooing and the like.

The ingredients are packaged under pressure and consist of an aqueous soap solution in which tiny pressure-liquefied droplets of certain water-insoluble propellant gases are dispersed. These liquefied droplets of gas provide nuclei for soap bubbles upon expansion. When released to the atmosphere the propellant droplets expand from liquid to gaseous phase to form fine gas-filled bubbles having soap film walls. The lather so generated has superior stability in use, superior texture for shaving, and causes no burning or smarting sensation on the skin.

The water-insoluble nature of the limited number of propellants used is directly responsible for the strength and stability of the lather and for its non-smarting property. The insoluble gas fills the bubble but does not penetrate through the bubble wall, whereas soluble gases would penetrate and weaken those walls, causing weak, runny, un-

stable lather. The microscopic size and uniform distribution of the propellant droplets in the emulsion is responsible for the optimum smooth creamy texture of the shaving lather, when combined with the right kind and concentration of soap solution.

Both the pressurized emulsion and the self-generated lather are novel compositions of matter, the ingredients being in new relationships not suggested by and not achieved in the prior art. The chemical-physical phenomena produced are unique.

The arts of shaving and of forming lather by brushing or other mechanical agitation are ancient. Improvement therein has been desired and sought unsuccessfully for generations. Prior to the patented invention all such lathers used air as the bubble-forming gas. Respondents' pressurized lather, generated by liquefied gas, has greatly increased sales in the shaving soap field and in three years' time the patented product rose to more than one-third the total (P.A. 79-81; P.X. 140, P.A. 656). The infringements are deliberate copies of the most specific, preferred forms disclosed by the patent.

The patented invention is the product of long research by chemists of skill and renown in the soap art (D.A. 33, 45, 70, 130). Many difficult technical problems, arising from the misleading teachings of the prior art, were solved in making the invention. The invention created and fosters competition in the shaving soap field which had long been stagnant under the domination of major companies (P.A. 82-3). Respondent Carter, a newcomer to that field, was enabled by the invention to enter and compete successfully with companies more than ten times its size, notably Colgate, Squibb, American Home Products, Rexall, Procter

& Gamble, Sterling Drug, etc.—companies intrenched in the field for many years (P.A. 79-81). Here truly is an invention which serves the constitutional purpose of promoting the progress of science and the useful arts, and which injects competition into the shaving soap field with all the benefits that derive from such competition.

Colgate stated to its customers that its product (purloined from plaintiffs and admitted to infringe) is "the greatest discovery in shaving history since the invention of the safety razor." (D.A. 617).

The Petition Presents No Valid Reason for Allowance of the Writ.

Stripped of irrelevancies, the petition and its inordinately long supporting brief fail to show any departure from established judicial procedures. Petitioners approach this Court as champions of the "public interest", but in reality their petition is but the wailing of disgruntled private litigants groaning under concurrent adverse decisions below. The Court of Appeals, speaking through Chief Judge Parker in a complete and carefully reasoned opinion, said:

> "This is not an ordinary case of infringement. It is a case of deliberate and wilful infringement based upon and made possible by appropriation of trade secrets upon the basis of which Colgate has itself attempted to obtain a patent. The court below has termed the defense 'specious'." (Pet. 31a)
>
> * * *
>
> "* * * examination of the record shows that he tried the case carefully and with a great deal more patience

than most judges would have exercised under similar circumstances. He gave six weeks to a case which should have been tried in a much shorter period, and at its conclusion counsel for defendants expressed their appreciation of the patience which he had exhibited throughout the trial." (Pet. 32a)

Petitioners try to avoid the fatal difficulty of no conflict and of no departure from established judicial procedures by claiming that the patent in suit monopolizes "an entire industry" and that this case "raises issues of great importance to the administration of the patent laws" because of the decisions below on foreign patents asserted to be part of the prior art (Pet. 31-39). The argument of threatening an entire industry is unfounded in fact. The Court of Appeals, based on evidence in the record, correctly passed upon the disclosures of the foreign patents and found them on their merits not to invalidate. Hence the asserted issues as to their exclusion by the District Court are moot so far as review by this Court is concerned. Consequently there is no reason which this Court recognizes as justifying exercise of its discretion to grant the writ.

Because this Court's rules require that misstatements in the Petition be answered, we will discuss *infra* those points which involve serious distortion of record facts. Only Points I, II and III, *infra*, have any direct bearing on the asserted reasons for allowance of a writ.

POINT I

Petitioners' assertion that "an entire industry is threatened" is fallacious.

Petitioners' representations (a) that "an entire industry is threatened with stoppage by injunction" (Pet. 2) and (b) that litigation on the patent in another circuit is unlikely (Pet. 8), are designed to convince the Court that large public interest is involved. Both assertions, based mainly on matters *dehors* the record, are contrary to fact.

The shaving soap industry* has existed for hundreds of years and very substantial parts of that industry, including shaving soaps, lather shave creams and brushless shave creams, are utterly unrelated to the patent in suit and could not conceivably be affected by it. If petitioners' reference to "an entire industry" means specifically the manufacture and sale of pressurized lather, that is an area of the industry which did not exist at all until the advent of the invention of the patent in suit and was created wholly by the patent itself (P.A. 82). The fact is that all of the shaving soap companies still do manufacture and sell the regular lather and non-lather shaving creams put up in the well-known tubes unaffected by the patent in suit

* The pressurized lather portion of the shaving soap industry is only a part of the "estimated thirty million dollars worth of goods" asserted by petitioners (PX 140; P.A. 656). The unoffered photograph opposite page 8 of the Petition is very misleading as a showing of the so-called "entire industry". It shows that in 1951 (two years after the invention of the patent in suit) pressurized lathers under the patent amounted to only 5% of the Freon-propelled products on the market. About 95% of the cans in the picture are insecticide and deodorant *sprays*—"Bug-a-boo", "Kilzim", "Flit", etc.

except for the new competition it makes possible. If these companies now want to add this new successful product to their line they should recognize the inventors' contributions to science and the useful arts. As the Petition shows, respondents have granted licenses to a great portion of the trade and have a policy for granting licenses (Pet. 7). Colgate, the wilful infringer and misappropriator of confidential trade secrets, is by far the largest factor in that trade (PX 139; P.A. 654).

Petitioners also express fear that the patent may never be litigated in another circuit, implying that the Fourth Circuit comprehends all manufacturers of pressurized shaving lather products. At the time of the trial there were several other manufacturers of products falling within the patent (P.A. 45-46, D.A. 73). These include the Rexall Company, manufacturing in the Ninth Circuit; Squibb, manufacturing in the Second Circuit; Shulton, manufacturing in the Third Circuit; Burma-Shave, manufacturing in the Eighth Circuit; and Gillette, manufacturing in the First Circuit. None of those companies is yet licensed, although licenses on reasonable terms have been proffered generally. Respondents have taken no steps to avoid litigation outside the Fourth Circuit or to initiate other litigation in the Fourth Circuit.

Petitioners show that there is now pending in the Second Circuit a declaratory judgment suit against the patent by the Mennen Company. While respondents believe that Mennen may be estopped by judgment, the Mennen Company thinks otherwise and it was they who started the declaratory judgment action. Respondents are subject to venue in the Second Circuit in declaratory judgment actions which other infringers may bring against the patent.

Consequently, petitioners' premise that the way is barred to litigation in other circuits which might, through a conflict of judgments bring the patent before this Court in the normal way, is wholly without foundation. The licensees (Pet. 7) are substantial companies who were well able to litigate if they had thought there was no merit to the patent. Circumstances like those which moved this Court to issue writs of certiorari in cases like *Altoona Publix Theatres* v. *American Tri-Ergon Corp.*, 294 U. S. 477 (1935); *Muncie Gear Wks.* v. *Outboard Marine Co.*, 315 U. S. 759 (1942) (concentration of motor boat industry in 7th Circuit); and *Schriber-Schroth Co.* v. *Cleveland Trust Co.*, 305 U. S. 573 (1938) (concentration of automobile industry in 6th Circuit), simply do not exist here.

POINT II

There has been no violation of the rules of the Tri-Ergon, Mandel and Sinclair cases.

A. Tri-Ergon

The assertion (Pet. 16) that the Court of Appeals and the District Court sustained the patent validity "on a theory of invention which bore no relation to the disclosures of the patent specifications or to the claims in suit" is preposterous. Petitioners' statement (Pet. 13) that "The lower courts differed widely as to what was the 'invention' " is a straw man set up by adroit selections and omissions from the opinions below and asserted for the purpose of avoiding the principles of review concerning concurrent findings of the courts below, recently enforced by this

Court in *Linde* v. *Graver*, 336 U. S. 271 (1949). The expressions of the invention as stated in the opinions of both courts below, in the patent specification and in the claims are wholly consistent.

The Court of Appeals quoted five of the claims verbatim as typical (Pet. 17a-19a); quoted from the broad description of the invention in the specification (Pet. 16a-17a); and quoted with approval much of the related opinion of the District Court (Pet. 15a-16a); all as a prelude to its own concurring evaluation of the invention with respect to the prior art. The Court of Appeals then epitomized the invention as follows:

> "What we have is not the mere use of propellant gases to extrude shaving soap from a container. But the use of *particular propellant gases* liquefied under pressure and combined in such way with *particular aqueous soap solutions* as *to produce an emulsion, which, when released from the container, becomes a lather composed of tiny gas bubbles coated with soap and useful for shaving*—a product which was new and useful, which the expert chemists of Colgate had tried unsuccessfully to produce, and which achieved at once unqualified commercial success." (Pet. 22a) (Emphasis ours.)

This language, in words and meaning conforms precisely to those portions of the specification and of the District Court opinion which were quoted with approval by the Court of Appeals (Pet. 17a-19a). Both Courts quoted with approval the same language from the patent specification which describes the invention in these exact terms (Pet. 16a-17a; D.A. 597). Both courts also found that all the claims of the patent validly comprehended this invention in terms of varying scope (Pet. 17a-19a; D.A. 601, 618).

Moreover, the Courts below were not required to define the invention in terms of the claims. It sufficed to point out what the invention was in plain, non-technical language. Detailed discussion of the invention as defined by the claims was unnecessary because, as appears on the record, infringement was conceded (Pet. 12a).

B. Mandel

The Court of Appeals did not disregard the opinion of the Supreme Court in the Mandel case, but definitely distinguished it, stating:

> "The case presented is thus fundamentally different from *Mandel Bros.* v. *Wallace* 335 U. S. 291, where all that was done was to use a drug with a cosmetic preparation to accomplish a purpose for which its availability had long been known and recognized. What we have here is a new and useful composition of matter produced after lengthy experimentation, in which the various elements combine to produce a new and useful result. To the presumption that the finding of the District Judge as to validity is correct, a finding based upon lengthy evidence and the testimony of experts (See *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.* 336 U. S. 271), must be added the presumptions of validity arising from the fact that the patent was issued by the Patent Office, from the fact that the patented product entered at once into wide public use and achieved outstanding commercial success, and from the fact that it was copied by an infringer who was one of the largest soap manufacturers of the country and who had been trying in vain to develop a similar product but had been unable to do so until the knowledge of one of the patentees was obtained." (Pet. 24a)

C. Sinclair

The rule of the *Sinclair* case is:

> "Reading a list and selecting a known compound to meet known requirements is no more ingenious than selecting the last piece to put into the last opening in a jigsaw puzzle." (325 U. S. 327, 335)

But in the case at bar there were no "known requirements" and respondents went contrary to the teachings of the art. There was no direction or indication in the art of how to obtain a stable lather nor of the problems involved. The aerosol spray art and the whipped cream art required the propellants to be soluble in the material to be dispersed. In producing the invention of self-generating, stable, non-smarting lather the patentees went contrary to the old arts and discovered or achieved many new things, of which the following is a partial list (all of which were found by the opinions below):

1. They pioneered by finding that propellant gases in liquid form, could be dispersed and emulsified as such fine droplets in soap solutions that the product would emerge as a self-generated lather rather than as a squirt, a spray, or a gush of big bubbles.

2. They found that, contrary to the teachings of the spray art and the whipped cream art, highly insoluble propellants were necessary for generation of lather while only certain of them would overcome smarting of the skin and provide stable lather.

3. They determined the novel rules of chemical structure and solubility of propellants (as set forth in the claims) which were needed to select the very few usable propellants (only 3 commercially-available

ones) out of the many hundreds existing. Most of the so-called Freons and Genetrons and nearly all other liquifiable gases simply do not work.

4. They determined the novel, operable ranges of propellant pressures and propellant-soap ratios.

5. They found that sodium-free soaps and particularly triethanolamine soaps, as set forth in certain claims, gave especially good lathers in this new combination.

6. They determined which oils, in which proportions, could be used to lower propellant pressure in the new emulsion combination without impairing the lather, and that special soaps were required for best results therewith.

7. They achieved not only a new composition for generating lather, but as the uncontradicted testimony showed, a new end product—a lather filled with halogenated gas instead of air. This is a new, microscopic bubble structure unknown in prior shaving lathers. The bubbles are so tiny they work between the beard hairs, softening and supporting each whisker for optimum shaving.

In their Appendix A (Pet. 1a-11a) petitioners pick the patented chemical composition of matter into pieces and then criticize the patentees because the ingredients of the claims were not themselves invented by the patentees. Much is attempted to be made in the Petition of the point that the particular propellants of the patent are certain members selected from a chemical class of wholly saturated and substituted fluorinated and chlorinated methanes and ethanes, loosely called "Freons" and "Genetrons" in the trade. Petitioners contemptuously and incorrectly call them "swamp gas" (Pet. 7a).

This is a plain attempt to mislead. No claim is made by respondents to the invention of a new gas, a new can or new soap, and none is necessary. Almost all inventions of new compositions of matter require old ingredients. In its most recent decision on a composition of matter, *Graver v. Linde*, 336 U. S. 271 (1949), this Court held inventive the discovery of an electric welding flux composition containing certain metallic alkaline earth silicates in certain proportions with alumina or fluoride. All of these ingredients had been known for decades. Here the patent in suit is on a new emulsion of chemicals in certain proportions and relationships which automatically generates a new and uniquely different lather. It is not the aggregation of old elements set up by the petitioners, and the Court of Appeals plainly so held (Pet. 21a-22a).

POINT III

Treatment of the foreign patents by the Court of Appeals makes exclusion by District Court moot.

Although the District Court was correct in excluding the foreign patents as not being part of the prior art,* the issue of the correctness of that decision was rendered moot and left open by the Court of Appeals, since it proceeded to consider the foreign patents on their merits and found that they did not anticipate or suggest the invention (Pet. 20a-21a). In making this finding, the Court of Appeals was not reversing a finding of the trial court on an issue of fact, but was merely resting its decision on this

* See Geo. Wash. L. Rev. 710 (1956).

particular issue upon an additional ground appearing of record, by making its own findings on questions not decided by the trial court. The findings of the Court of Appeals on the merits of the foreign patents were based on documentary evidence in the record before it (DCX 26, D.A. 738-750, DCX 59, D.A. 763-775), which it was fully as able to evaluate as the trial court.

Petitioners' argument, that evidence by experts as to the foreign patent disclosures was excluded by the Trial Court and that these patents on their face used technology which required expert explanation, is without foundation. The facts are that (a) translations were made of record, and (b) there was sufficient technical information by experts generally to enable the Court to understand what the disclosures were as shown in the translations. Every term in the portions quoted from the Belgian patent in the Petition, pages 28 and 29, and from the Argentine and Panama patents, pages 29 and 30, had been explained by experts for both parties both with relation to the patent in suit and to other prior art publications so that further "expert testimony together with proof of the chemistry and physics involved" would have been surplusage. The whole technology of the art had been fully discussed by experts for both sides and by an inter partes neutral expert, substantially without contradiction, in a trial of six court weeks.* Moreover, petitioners disregard entirely that their own witnesses, a Belgian patent expert and a Du Pont chemist, testified about the disclosure of

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* Plaintiffs' witnesses, Reich, P.A. 17, 21-43, 243-255; D.A. 4-5, 8-44, 50-58, 65-68; Snell, P.A. 51, 58-60; D.A. 70, 74-94, 108-127; defendants' witnesses Apperson, P.A. 157 *et seq.*; D.A. 300-368; Smith, P.A. 196-213, 259-267; D.A. 382-420, 436-457; neutral inter partes witness Professor La Mer, P.A. 268-287; D.A. 559-583.

the Belgian patent (D.A. 175-80) and that expert witnesses also testified about the disclosures of the Argentine and Panama patents (P.A. 132, 137; D.A. 256). Consequently there was ample uncontradicted evidence, in addition to the texts of the translations of the foreign patents, to support the findings of the Court of Appeals.

The principle that an appellate court may properly make its own findings of fact based on documentary evidence, or its equivalent, in the record where the trial court has made no findings or to reverse the trial court's findings, is well established by many decisions in the different courts of appeal and has been approved by this Court.

> "That is, if it appears from the face of the instruments that extrinsic evidence is not needed to explain terms of art, or to apply the descriptions to the subject-matter, so that the court is able from mere comparison to say what are the inventions described in each, and to affirm from such mere comparison that they are not the same, but different, then the question of identity is one of pure construction, and not of evidence and, consequently, is matter of law for the court, without any auxiliary matter of fact to be passed upon by a jury, if the action be at law." *Heald* v. *Rice*, 104 U. S. 737, 749 (1881).

See also *Merchants' Nat. Bank* v. *City of Richmond*, 256 U. S. 635, 638. The making of such findings is a common practice by the courts of appeal and is especially frequent in patent cases: *Benz* v. *Celeste*, 136 F. 2d 845, 846-7 (2d Cir. 1943); *Himmel* v. *Serrick*, 122 F. 2d 740, 742-3 (7th Cir. 1941); *Hazeltine* v. *General Motors*, 170 F. 2d 6, 10 (6th Cir. 1949); *Munro* v. *Smith*, 259 Fed. 1, 2 (1st Cir. 1919); *Atlantic* v. *James B. Berry*, 106 F. 2d 644, 645 (3rd Cir. 1937); *Sales Affiliates* v. *National Mineral Co.*, 172 F. 2d 608, 613 (7th Cir. 1949).

The authorities cited above establish the propriety of the Court of Appeals' considering the foreign patents on the merits. By finding that those patents did not anticipate, the Court of Appeals rendered moot the question of whether the District Court committed error in excluding the foreign patents on the merits. The question is now moot because its decision would not change the result and would not be dispositive of the case; being moot, this Court has held that such issues should not be decided. *People* v. *San Pablo & T. R. Co.*, 149 U. S. 308, 314; *Elgin National Watch Co.* v. *Illinois Watch Case Co.*, 179 U. S. 665, 670; *Electrical Fittings* v. *Thomas & Betts Co.*, 307 U. S. 241 (1939); *Altvater* v. *Freeman*, 319 U. S. 359, 363 (1943). See also *Vander Horst Corp* v. *Chromium Corp.*, 198 F. 2d 748 (2d Cir. 1952); *Trico* v. *E. A. Laboratories*, 71 F. 2d 680 (2d Cir. 1934).

If the District Court committed error, it was rendered harmless by the decision of the Court of Appeals as to the *ultimate* facts based on *evidentiary* facts presented in the documents and uncontradicted testimony before it in the record.

> *Hazeltine Corp.* v. *Abrams*, 79 F. 2d 329, 332 (2d Cir. 1935).

Had the disclosures of these foreign patents been found to be true anticipations and the courts below decided the issue in plaintiffs' favor only because of the exclusion of those patents, only then might the matter be one for the Supreme Court in its discretion to consider.

The foregoing covers the only points which could concern the Supreme Court in considering issuance of a writ of certiorari. There is no merit in petitioners' position on any of these questions.

All other points in the petition are irrelevant—they represent merely the complaints of a disgruntled loser about concurrent adverse decisions below. However, in the interests of completeness, we shall reply briefly to certain of these other points, especially where there is obvious distortion of record facts.

POINT IV

Exclusion of Propellant Evidence

The record shows that the pertinent field in regard to aerosol packages was well developed and represented by testimony and the prior art literature (Pet. 19a-21a). That the lower court limited the amount of evidence to avoid cumulative proofs as to this general subject is no ground for review on certiorari. The Court of Appeals found the record sufficient to support its opinion and found no error in that exclusion by the lower court (Pet. 32a).

The District Court properly excluded cumulative testimony when it was attempted to apply evidence from the insecticide art to the *trade secret* issues (DA 160-161). That evidence was not related to the patent defense. Petitioners' counsel failed to make a specific offer of proof of the excluded evidence as required by Rule 43c F. R. C. P. The legend at the bottom of the photograph opposite page 8 of the Petition confesses this failure.

POINT V

Alleged Derivation of Invention from Du Pont (Pet. 12-13)

The trial court found on the basis of documents and conflicting testimony (P.A. 102, 106, 403; D.A. 131, 134-5), that plaintiff Spitzer and his co-inventors conceived and made a written record of the Freon-12 and Freon-114 combination long prior to any contact with Du Pont, absolutely contrary to petitioners' allegations. Du Pont merely made the combination available, Freon-114 having been used previously only for refrigeration (D.A. 131).

POINT VI

Segelken Prior Use (Pet. 15, 31)

Petitioners' quotation of the so-called "unqualified concession" of plaintiffs' counsel fails to reveal the context which qualified it. Both the trial court and the Court of Appeals found as fact that defendants failed to prove prior *use* of *any* composition by Segelken (Daggett & Ramsdell—Standard Oil of New Jersey), the Court of Appeals stating:

> "it is not shown that he *used* the combination either of propellants or soaps prescribed by the patent or that he eliminated objectionable matters eliminated by that combination or achieved the results obtained by it. The evidence relied upon falls far short of the sort of evidence necessary to invalidate a patent by oral evidence of prior use. See the *Barbed Wire Patent* 143 U. S. 275, 284; *Adamson* v. *Gilliland* 242 U. S. 350; *Hoeltke* v. *C. M. Kemp Mfg. Co.* 4 Cir. 80 F. 2d 912, 923."

Thus there is no merit in petitioners' assertion that the two courts below differed in their treatment of the Segel-

ken evidence. They concurred that no prior use was proved, while in addition the District Court held that any conception by Segelken had been abandoned, concealed and suppressed per 35 U. S. C. (1952) 102 (g) (D.A. 614). Petitioners do not contest the correctness of the District Court holding that the Segelken work was *suppressed* and *concealed*. The alleged "concession" was made in the light of those failures of proof. Portions of the colloquy with the Court, appearing before and after petitioners' quotation, show this to be the case.*

POINT VII

Significance of Trade Secret Issues

The allegation that the wrong-doing of Colgate was prejudicial to the determination of the patent issues is a slur on the lower Courts.

It implies that the lower Courts decided validity not as a matter of reason but on the basis of emotion. The careful, detailed opinions below cry out against any such implication. The reference to the trade-secrets phase of the case insofar as it related to the patent itself was only to indicate that what the patentees did was not obvious—evidence which is of great consequence especially because of the provision in the recodification of the patent law, 35 U. S. C. (1952) 103.

On this very point the Court of Appeals stated:

> "A sufficient answer to the argument that nothing more is involved than the skill of the art is that the patentees experimented for months in the effort to produce the pressurized shaving cream of the patent

* To condense the argument, these quotations are set out in the Appendix to this brief.

> before their efforts finally resulted in success, that Colgate's efforts to produce it proved unsuccessful and that, after it had been produced and Colgate had purchased it on the market and had it analyzed, Colgate's corps of expert chemists were still not able to produce it until the knowledge of one of the patentees was availed of." (Pet. 22a)

Petitioners protest loudly that Colgate "could have" marketed an experimental pressurized shaving lather before hiring Fine, citing the inconclusive results of an internal "panel" test (Pet. Appendix C). But petitioners fail to tell the Court that this same experimental product was condemned by Colgate's technical and production heads *after* the panel test, stating they "were starting all over again from scratch" (PA 523); that "we have the problem of sputtering * * * efforts are being made to overcome this defect. Also stringiness of our formula may cause filling difficulties on a production line and we are trying to eliminate or reduce this stringiness" (PA 524). These serious difficulties *were* eliminated, but only by the short cut of pirating plaintiffs' formulae and trade secrets through breach of a confidential relation.

CONCLUSION

The Petition is without merit and should be denied.

Respectfully submitted,

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APPENDIX TO RESPONDENTS' BRIEF

Quotations from Trial Transcript

The so-called "unqualified concession of plaintiffs' counsel" quoted at Petition page 15, appears in the trial transcript at page 1604. The qualifications thereof appear in context from the colloquy between the court and counsel for plaintiffs preceding and following the "concession". The pertinent parts of that colloquy are reproduced here, the portion quoted in petitioners' brief being italicized:

> "Mr. Finnegan: I think I should explain our position with respect to this entire Daggett & Ramsdell development as a prelude. Our position basically is that the work done in this research for Daggett & Ramsdell, which was a subsidiary of the Standard Oil Company, was done in secret. These were experiments carried out in secret. They never reached the public in any form. They were abandoned, and they stand in the eyes of the law because of those reasons as though they never existed. That is going to be our basic position and the parts of the cross-examination which I will introduce and the other testimony on this situation will relate primarily to that position." (Tr. 1586-7)
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> • • •
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> "On page 73, this is what I regard as quite important testimony showing that this matter was completely dropped by the Standard Oil Company, Daggett & Ramsdell, and not carried any further." (Tr. 1595)
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> • • •

Quotations from Trial Transcript

"*The Court*: *As I understand it, you are not contending that the formulae, leaving out the questions of anticipation at the moment, of this Segelken were not formulae covered by the patent in suit, as I understand it.*

Mr. Finnegan: *I will not go too far in that direction, Your Honor, because some of the claims in suit would not be anticipated by the Segelken formula.*

The Court: *But you admit some would be?*

Mr. Finnegan: *Yes, some would be.* I would be very happy to have Your Honor consider the legal problem based upon the facts that appear here, because I agree with Your Honor that it might be a turning point on the matter of anticipation." (Tr. 1604)

* * *

"If Your Honor holds that these were public uses, we may have some evidence with respect to the actual effect and compositions involved. I think it is important to note that because there is no evidence whatsoever showing what the composition was that this man Eckhoff used, out of some 14 compositions that his nephew, Segelken made up, he used one, and nobody could identify it." (Tr. 1617)

* * *

FILED
JUL 25 1956
JOHN T. FEY, Clerk

IN THE

Supreme Court of the United States

OCTOBER TERM, 1955

No. [redacted]150

COLGATE-PALMOLIVE COMPANY, STALFORT PRESSURE-PAK CORPORATION, JOHN C. STALFORT & SONS, INC., and READ DRUG & CHEMICAL COMPANY, INC.,

Petitioners,

—v.—

CARTER PRODUCTS, INC., JOSEPH G. SPITZER, and MARVIN SMALL,

Respondents.

PETITIONERS' REPLY BRIEF IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

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July 25, 1956

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IN THE

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OCTOBER TERM 1955

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Respondents.

PETITIONERS' REPLY BRIEF IN SUPPORT OF PETITION FOR A WRIT OF CERTIORARI

To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

The answering brief of plaintiffs-respondents makes no serious attempt to meet the basic reasons advanced by our petition for the granting of certiorari.

In that petition we showed that the decision below was reached by a process of trial and appeal so extraordinary that the legal issues raised upon the trial record have not yet been reviewed (Pet. 3, 13-22, 25-31).

We showed that the decision below upholds broad patent claims monopolizing the pressure packaging of soap in direct violation of the rules of the *Tri-Ergon* and the *Mandel* and *Sinclair* cases (Pet. 16-25).

We showed that the case directly raises three questions as to the effectiveness of foreign patents as prior art of

great importance to administration of the patent laws (Pet. 31-40).

Instead of meeting our contentions, plaintiffs attempt to convey the impression that "This is a usual patent case." (Ans. 1).

They characterize the petition with false eloquence as "the wailing of disgruntled private litigants groaning under concurrent adverse decisions below." (Ans. 4) and "the complaints of a disgruntled loser of concurrent adverse decisions below." (Ans. 17).

The real weakness of plaintiffs' position is, however, revealed whenever their brief purports to answer our arguments.

At such points their brief is characterized by vital omissions (pp. 4, 9, 11 below), obvious evasions (pp. 7, 9, 10, 11 below), and too frequently by plain misstatements of the record (pp. 5, 6, 11, 14, 18 below).

Importance of the Judgment Below to Industry

The plaintiffs' brief confirms the great importance of the decision below to all those engaged in the industry of the pressure packaging of soap.

Plaintiffs do not deny their representation to the trade that the decision accords them a monopoly upon "all pressurized shaving lather products on the market today." On the contrary, the answering brief demonstrates that plaintiffs have been actively seeking to exact tribute from all who "want to add this new successful product to their line." (Ans. 7).

So successful has this campaign been that the plaintiffs now are able to say that they have already licensed "a

great portion of the trade." (Ans. 7). Indeed, of the many manufacturers of such products only five appear to be left who have not accepted licenses and, even with respect to these, the plaintiffs confirm that licenses are in negotiation (Ans. 7).

The *Mennen* action, moreover, has revealed that the plaintiffs have been actively endeavoring to increase their bargaining power to settle with the industry without the risk of further litigation.

The record in that case shows that, since the decision of the district court in this action, plaintiffs have added the prior art Boe patent to their patent arsenal and now assert that this too monopolizes the field of pressurized shaving cream.*

Plaintiffs are well aware that the few remaining members of the industry including Mennen are awaiting the results of this Court's action on our petition before determining what course to take. They are also well aware that a denial of certiorari in this case is all that is necessary before the rest of the industry folds.

As plaintiffs concede in their brief, the companies which remain free occupy only a small portion of the market. It is most unlikely that any of these companies will undertake the exorbitant expense of patent litigation and incur the risk of a preliminary injunction to avoid paying a tribute which is already being exacted from most of the industry.

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* This Boe patent is the prior art patent as to which plaintiffs said, in their brief to the Court of Appeals:

"However, in spite of the broad claims and voluminous disclosures of the Boe patent, it is amply clear that no composition disclosed therein is ever designed to form or is capable of forming a stable lather." (p. 39)

Despite plaintiffs' suggestion that continued litigation in another circuit is a possibility, the final battle for industry freedom from the Spitzer patent is now being fought.

So far as the consuming public is concerned, if certiorari is denied, that battle will be wholly lost.

Correction of Plaintiffs' Misstatement

One obvious misstatement of the plaintiffs in their brief requires correction. In a footnote on page 6 the patentees state that the shaving soap industry is only a portion of the "estimated $30,000,000 worth of goods." Actually, as shown by the affidavit annexed to this brief as Appendix A the $30,000,000 figure, includes only the pressurized shaving cream covered by the Spitzer patent claims. At the present rate of growth, the annual sales will be more than double the $30,000,000 figure before the Spitzer patent expires.

The Nature of the "Invention"

In our petition we demonstrated that any contribution that the patentees had made fell far short of justifying the monopoly that the plaintiffs are now actively foisting upon the soap manufacturing industry (Pet. 10-13).

We showed that the pressure packaging art was highly developed prior to Spitzer and included such well-known commercial products as pressurized whipped cream and insecticide sprays (Pet. 8-10).

We showed that Freon 12, a trademarked product of DuPont, was used not only as a propellant for these products but was the most universally recommended propellant in the pressure packaging art (Pet. 10-11).

We pointed out that the "invention" of the patent consists of the use of Freon propellants with any conventional soap

solution and that the plaintiffs assert that it was first reduced to practice by mixing commercial barber shop shaving soap with Freon 12 (Pet. 11, 16).

Plaintiffs make no mention of these undisputed facts.

Plaintiffs' description of their supposed "invention" occurs on pages 2, 3 and 11 of their brief. There are no citations to the record, none to their patent and none to the opinions below.

Instead, using such phrases as "new physical-chemical relationship" (Ans. 2) and "the ingredients being in new relationship not suggested by and not achieved by the prior art" (Ans. 3), plaintiffs describe as the hallmark of their invention that an emulsion and not a solution was achieved (Ans. 11).

They say "The aerosol spray art and the whipped cream art required the propellants to be soluble in the material to be dispersed." (Ans. 11).

They further say that the patentees "found that, contrary to the teachings of the spray art and the whipped cream art, highly insoluble propellants were necessary for the generation of lather." (Ans. 11).

These are all plain misstatements.

The advantages of insolubility and of emulsions were well known to the art of pressure packaging. The prior art Boe patent, acquired by the plaintiffs since the decision of the trial court, stresses insolubility and the formation of an emulsion. That patent bears as its title "Emulsion Containing a Liquefied Propellant and Method of Spraying Same."* Boe states in the second paragraph of his specifications (DCX 13, App. 722, col. 1, l. 7):

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* Emphasis ours throughout.

"I have found, at least with respect to the spraying of many liquids, that superior results are obtained if the liquid to be sprayed and the liquefied gas to form the expelling force are immiscible or soluble in one another only to a limited extent and are formed into an emulsion as distinguished from a solution."

The Episode at DuPont

In our petition we demonstrated that not only Freon 12 but even the preferred Freon 12-Freon 114 combination of propellants was taught by the prior art (Pet. 12). We further pointed out that plaintiffs had actually learned of the usefulness of this combination directly from the manufacturer of Freons—DuPont (Pet. 12-13).

Plaintiffs' only comment on this matter is as follows (Ans. 18):

"The trial court found on the basis of documents and conflicting testimony (P.A. 102, 106, 403; D.A. 131, 134-5), that plaintiff Spitzer and his co-inventors conceived and made a written record of the Freon-12 and Freon-114 combination long prior to any contact with DuPont, absolutely contrary to petitioners' allegations. DuPont merely made the combination available, Freon-114 having been used previously only for refrigeration (D.A. 131)."

The quoted statement is an astonishing collection of misleading half truths and plain misstatements of fact.

There was not the slightest conflict in the record as to the existence of the "written record" referred to or as to what the document says. It says (Plaintiffs' App. 403-4):

"Among the most useful gases for the practice of this invention are certain halogenated hydrocarbons which

are used commercially as refrigerants and in Aerosol bombs and which are known as Freons and Genetrons. Below are some of these whose constants fall in the useful range:

Freon 12	CCl_2F_2	Genetron 100	CH_2CHF_2
Freon 22	$CHClF_2$	Genetron 101	CH_3CClF_2
Freon 114	$CClF_2CClF_2$		

"Also there are certain mixtures which can be used. These include

"Genetron 102A, Genetron 102B, and Genetron 102F. A mixture of Freon 12 and Freon 11 (CCl_3F) can be used.

* * * * *

"Below are gases which have actually been tried with a liquid shaving soap and found to give stable lathers suitable for shaving:

Freon 12
Freon 12-Freon 11 (35:65)
Genetron 100
Genetron 101
Propane"

Thus, the document makes no mention of any combination of Freon 114 with any other propellant. Instead of refuting the derivation of Freon 114 from the prior art, it confirms plaintiffs' realization that Freon 114 had previously been used in "Aerosol bombs."

The implication that the patentees were aware of the advantages of the Freon 12-Freon 114 combination prior to the visit to DuPont and the statement that "DuPont merely made the combination available" are simply false.

Doctor Downing of DuPont testified without contradiction that it was he who informed patentee Spitzer of the

reason why the Freon 12-Freon 11 combination produced smarting and recommended the substitution of Freon 114 for Freon 11 (App. 194). He stated that Spitzer "seemed unaware that there was such a combination." (App. 197). Spitzer himself testified as to this meeting:

> "They allowed me to talk to their technical people . . . and we finally discovered there was another product known as Freon 114." (App. 131).

Mr. Williams of DuPont, the third person present, confirms all this, and recorded it in a contemporaneous memorandum (App. 211-13; DCX 37, App. 758).

The statement "Freon 114 having been used previously only for refrigeration (D.A. 131)" is also false. Two years previously the Continental Can bulletin advised the pressure packaging industry:

> "The results of rather comprehensive tests indicated that very satisfactory aerosols could be obtained by substitution of Freon-114 or 21 for part of the Freon-12." (DCX 24, App. 734).

Rejection of the Trial Court's Finding as to Invention

In our petition we pointed out that in the light of the disclosures and the claims of the Spitzer patent novelty, if any, must rest in the selection of the particular propellants to be used generally with the aqueous soap solutions of the prior art (Pet. 13).

We pointed out that, in spite of this, the Court of Appeals rejected the trial court's finding that novelty rested in the combination "of the relatively small group of Freons . . . with aqueous soap solutions." (App. 13-14).

The Court of Appeals found instead that what was novel was mixing "the right gases, with the right soaps in the right proportions, confined in a container under the right pressure, so that a lather satisfactory for shaving purposes would be produced . . ." (Pet. 14).

We showed phrase by phrase and sentence by sentence that this and other findings of the Court of Appeals as to the invention were in hopeless conflict with the plain language of the patent specifications and the undisputed facts of record (Pet. 16-22).

We demonstrated that this vital revision of the trial court's finding caused the Court of Appeals to appraise the entire prior art with false premises (Pet. 14-15, 22-25). Otherwise the Court of Appeals could not have avoided the impact of the rule of the *Mandel* and *Sinclair* cases nor could it have purported to distinguish the *Mandel* case in its decision.

The plaintiffs' answer to these contentions, which appears at pages 8 through 10 of their brief, is a masterpiece of evasion.

No reference whatsoever is made to the portion of the trial court's opinion setting forth its finding as to invention (App. 617-18).

No reference whatsoever is made to the portion of the opinion of the Court of Appeals where that Court describes in detail "what was novel" in Spitzer (Pet. 14a, 15a).

No attempt is made to explain the irreconcilable differences between the two findings.

As to the fatal inconsistency between the Court of Appeals' finding and the plain language of the patent specifications, plaintiffs are completely silent.

All that plaintiffs do is quote (Ans. 9), as if it were the sole expression of the Court of Appeals as to the invention, a summary description appearing later in its opinion which omits to give the details of the Court's view as to what was novel in Spitzer.

Actually the quoted statement confirms the Court of Appeals' rejection of the trial court's finding that sole novelty rested in the selection of propellants.

The Pressurized Shaving Cream of Segelken

In our petition we set forth as a particularly dramatic illustration of the mischief wrought by the Court of Appeals' rejection of the trial court's finding its treatment of the pressurized shaving creams of Segelken (Pet. 14-15). Thus, in spite of the express concession of plaintiffs' counsel that these compositions were covered by some of the Spitzer claims, the Court of Appeals found that:

> "... it is not shown that he used the combination either of propellants or soaps prescribed by the patent or that he eliminated objectionable matters eliminated by that combination or achieved results obtained by it." (Pet. 21a).

The plaintiffs are obviously embarrassed by this inconsistency between their admission and the Court of Appeals' finding. Their brief devotes considerable space to a labored explanation of the finding and the admission (Ans. 18-19). While their arguments are not unambiguous, they appear to contend that the Court meant to express uncertainty as to what shaving creams Segelken had produced rather than to say that those produced were not within the coverage of the patent.

The undisputed facts of record as well as the plain language of the Court of Appeals provide no basis for this interpretation. There was no uncertainty as to the ingredients of Segelken's composition. The exact formulas were set forth in writings which were introduced in evidence at the trial (DCX 64, 65, 66; App. 779-82). The record is undisputed that each of these compositions was prepared by Segelken, ejected from the container and used for shaving (App. 269-70, 274-5, 280-81, 288). The record, moreover, includes a formal offer of proof, rejected by the trial court (Tr. 2604-6, not printed). This would have shown that the formulas of Segelken conform exactly to the compositions of the patent in suit and would have included actual demonstration that the Segelken products perform in the same way as the products of the patent.

Violation of the Rule of the *Tri-Ergon* Case

In our petition, we pointed out in detail that the Court of Appeals' findings as to invention were in such direct conflict with specifications of the Spitzer patent, that these specifications appear to have been drafted for the very purpose of preventing such findings (Pet. 16-22).

Plaintiffs have made no attempt whatsoever to meet this contention. Their answering brief does not refer to or cite the critical findings of the Court of Appeals. Nor does it cite, much less discuss, the language of the claims or the specifications of the Spitzer patent.

We showed that the Court of Appeals made no attempt to reconcile its own theory of the invention with the language of the claims (Pet. 16-22). We demonstrated that only a single claim—Claim 21—conformed to the Court of Appeals' definition of the invention (Pet. 14).

Plaintiffs' only answer is another misstatement. At page 3 of their brief, they assert:

> "The infringements are deliberate copies of the most specific, preferred forms disclosed by the patent."

Actually, Claim 21, the only claim covering a specific formulation and the only claim conforming to the Court of Appeals' definition of the invention, was not even asserted to be infringed (App. 586). At no time have defendants conceded use of the invention as defined by the Court of Appeals.

Although the plaintiffs' answering brief contains, on page 8, a heading "Tri-Ergon," the discussion under this heading deals in general with another subject. No mention is made of the rule of the *Tri-Ergon* case that the Court must measure the validity of each claim separately by comparing its scope against what the patent purports to disclose and the contribution actually made to the art.

Instead, the plaintiffs reveal the true weakness of their position by advancing a proposition which is the exact antithesis of the rule of the *Tri-Ergon* case.

They assert:

> "Moreover, the Courts below were not required to define the invention in terms of the claims. It sufficed to point out what the invention was in plain, non-technical language. Detailed discussion of the invention as defined by the claims was unnecessary because, as appears on the record, infringement was conceded (Pet. 12a)." (p. 10).

Defendants' concession that their products were covered by certain of the Spitzer claims was made on the basis of the broad language of these claims and in reliance upon the

obligation of the lower courts to determine the validity of such claims in the light of the disclosures of the patent and the minimal nature of the patentees' contribution to the art.

The failure of the lower courts to "define the invention in terms of the claims" (Plaintiffs' Answer, p. 10) was particularly prejudicial in the light of the concession actually made by the defendants.

The plaintiffs must bear a large burden of responsibility for the error of appraising of patent validity into which the Court of Appeals fell.

At no point in the course of this litigation did the plaintiffs give the courts any assistance in measuring the disclosures of their patent or their supposed contribution against the monopoly of the claims.

Plaintiffs have persisted in this course in their answering brief. They have virtually ignored the exposition of their patent specifications and claims contained in Appendix A to the petition.

On page 11, without any citation to record or to patent specifications or claims, they set forth a list of seven items which they say were accomplished by the patentees' work. As pointed out in Appendix B to this reply brief, the list bears little or no relationship to the patent specifications or claims and is in conflict with the undisputed facts of record.

Violation of the Rule of the *Mandel* and *Sinclair* Cases

In our petition we demonstrated that a holding of invention upon the trial record directly violates the *Mandel* and *Sinclair* rule that it is not invention to select a known in-

gredient to perform a known function in a combination (Pet. 22-5).

So similar is the situation presented to that of the *Mandel* case that the particular phrases used are almost directly applicable to this case (Pet. 23).

We pointed out that the Court of Appeals avoided the problem of the *Mandel* and *Sinclair* decisions only by its erroneous revision of the trial court's finding that novelty rested in the selection of propellants for use with aqueous soap solutions (Pet. 22-5).

The plaintiffs do not seriously attempt to explain the extraordinary parallel between the facts of record and those of the *Mandel* case. All that is done is to quote the passage from the Court of Appeals' decision distinguishing the *Mandel* case on the basis of that Court's erroneous finding as to the invention (Ans. 10).

Under the heading of "Sinclair," the plaintiffs attempt to avoid the rule of that case by suggesting that the patentees went contrary to the prior art in securing an emulsion instead of a solution (Ans. 11). As pointed out above, this is a complete misstatement of the facts of record.

In Appendix B hereto we show that the seven purported items, advanced by the plaintiffs without record citation as their contribution, are completely contradicted by the undisputed facts of record.

Exclusion of Propellant Evidence

In our petition, we showed that the rule of the *Mandel* and *Sinclair* cases was violated by the trial court's exclusion of evidence as to what was known about propellants in the prior art of pressure packaging (Pet. 23-5).

Plaintiffs attempt to avoid the implications of these highly prejudicial rulings by referring to the evidence so

excluded as "cumulative proofs" and "cumulative testimony." (Ans. 17).

This again misrepresents the true situation. The court's blanket ruling with respect to the exclusion of evidence as to the knowledge of propellants in the prior art of pressure packaging occurred during the testimony of defendants' first witness on the prior art—Dr. Fulton.

Dr. Fulton was perhaps the most informed person in the country with respect to the general knowledge developed in the prior art of pressure packaging. As an expert employed by the Bureau of Entomology, he was intimately acquainted with the development of aerosol insecticides during World War II (App. 149-51). He was a member of an advisory board of the Interstate Commerce Commission which passed upon all pressure packaging materials from a standpoint of safety in transportation (App. 149).

When the court interrupted Dr. Fulton's testimony on its own motion, ruled out all but preliminary remarks and forbade further exposition of the art, a highly important part of defendants' case was irretrievably lost (Pet. 24-5). Thereafter no more than passing reference was permitted to the basic art of pressure propelled products.

Plaintiffs also imply that the court's exclusionary rulings related only to testimony with respect to the trade secret issues (Ans. 17). This is again a misstatement of the facts.

When on a second occasion, the defendants urged that evidence as to the development of propellants must be received with respect to the trade secret issues, the court again excluded it on the theory that it had "no relation" to "alleged violation of trade secrets—or *invention*" (App. 162).

There is no substance to plaintiffs' assertion that defendants were remiss in failing to make a formal offer of

proof. The defendants several times explained to the court the import of the proffered testimony (App. 151-5, 156-7, 160-63).

Treatment of Foreign Patents

In our petition we pointed out that the most serious failure of both lower courts to perform their appointed roles in the Federal Judiciary occurred with respect to certain foreign patents advanced as anticipations (Pet. 25-31).

As a matter of deliberate choice for the purpose of shortening the trial, the trial court excluded evidence and elected to rule the patents out on technical grounds (Pet. 26-7).

As to the Belgian patent, it stated that its purpose was to avoid "several days dwelling on this Belgian patent," and that it expected that "If the Court of Appeals, upon an appeal, should say I was wrong that would open the case * * *."

There can be no question on the trial record that the disclosures of these patents presented substantial questions of anticipation. The pressurized shaving cream of the Argentine and Panama patents were three of the formulas of Segelken, which plaintiffs' counsel had expressly conceded were covered by the Spitzer claims (App. 282-3).

The Trial Court itself stated that "the contest as to validity" would "to a major extent" revolve "around this Belgian patent." (App. 181).

Whatever the wisdom of the trial court's decision not to accept evidence as to the meaning of these foreign patents, it left the Court of Appeals with only one proper course. It must review the legal basis upon which the trial court excluded the patents from consideration. If it found

the trial court in error, the case had to be returned for a further trial as to the issue of what these patents disclosed to those skilled in the art.

Instead, the Court of Appeals ignored the three important questions of patent law decided by the trial court. It qualified itself as persons skilled in the art, interpreted the disclosures of the patent and held that they did not reveal combinations of Spitzer.

Plaintiffs have not made any serious attempt to justify the trial court's rulings on the law—rulings in square conflict with the decisions of the Patent Office and of other courts. Instead, plaintiffs have contented themselves merely with their own pronouncement that the decision was "correct" and with a single citation to a case note on the trial court's decision.

The gist of plaintiffs' justification for the Court of Appeals' action is contained in their statement:

> "The findings of the Court of Appeals on the merits of the foreign patents were based on documentary evidence in the record before it (DCX 26, D.A. 738-750, DCX 59, D.A. 763-755), which it was fully as able to evaluate as the trial court." (Ans. 14).

The sole documentary evidence referred to is the English translation of these foreign patents which show on their face that their disclosures are incomprehensible to one not skilled in the art. The trial court of course recognized that this was an inadequate basis for any finding.

The plaintiffs also suggest that scattered through the record in other connections is sufficient information to provide a translation into simple language of the terms used in these patent documents. Clearly, the trial court itself, which was much closer to the evidence, did not regard this as the fact. Even if the court could, by searching the rec-

ord, have ferreted out a definition of all of the terms used, and we emphatically deny that this was possible, the result would have fallen far short of what was required. The terms had to be explained as used in the context of the patent documents. Furthermore, the disclosures of these patents had to be evaluated by demonstration of actual comparative performance of lathers made pursuant to the direction of the foreign patent and patent in suit.

The extensive portions of the record cited by the plaintiffs merely emphasize the contrast between the careful consideration given other prior art references and the total lack of attention paid to the foreign patents.

Plaintiffs also state:

> "Moreover, petitioners disregard entirely that their own witnesses, a Belgian patent expert and a DuPont chemist, testified about the disclosure of the Belgian patent (D.A. 175-80) and that expert witnesses also testified about the disclosures of the Argentine and Panama patents (P.A. 132, 137; D.A. 256)." (Ans. 14-15).

This is an obvious attempt to mislead.

In the first place, there was no DuPont chemist who testified with respect to these foreign patents.

The Belgian "patent expert" who testified was a patent attorney whose testimony was introduced for the purpose of explaining the Belgian patent law with respect to the effective date of the Belgian patent (App. 161 *et seq.*).

The testimony referred to consists of his reading, without explanation, certain passages from the patent.

He specifically disowned any understanding of the technical language therein contained. He testified:

> "Q. * * * Are you familiar with the specific terminology which is used in this patent in describing the

materials that are employed? A. I am not." (App. 176).

The "expert witnesses" with respect to the Argentine and Panama patents were also lawyers without technical qualifications (App. 251, 258). They were witnesses for plaintiffs and not for the defendants. Their testimony was addressed solely to the legal issues considered by the trial court.

The extensive citation of authority which occurs in plaintiffs' brief with respect to this matter does not improve their position.

We are in complete agreement with the principle of *Heald* v. *Rice*, 104 U. S. 737, 739 (1881), that a court may interpret a patent document "if it appears from the face of the instrument that extrinsic evidence is not needed to explain terms of art." That is clearly not this case.

We, of course, do not suggest that this Court should consider any issue which is moot (Ans. 16).

At the bottom of page 15 of their brief plaintiffs cite a number of cases for the proposition that Courts of Appeals may make new findings. This, as the cases show, is clearly proper when the issue has been litigated and the record before the trial court is complete.

In the only case cited by the plaintiffs where the situation presented is similar to this case, *Benz* v. *Celeste*, 136 F. 2d 845 (2d Cir. 1943), the court held that it was

> "unjust for us to decide the case adversely to plaintiffs on so unsatisfactory a record."

It remanded the case for a new trial "to the end that injustice may not be done."

The Court of Appeals in our case erred in failing to follow this example.

CONCLUSION

As shown by our petition for certiorari the nature of the case and the issues presented by the decisions below particularly justify the exercise of the certiorari jurisdiction of this Court. The respondents have failed to present any substantial opposition. Accordingly, the petition should be granted.

Respectfully submitted,

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July 25, 1956

APPENDIX A

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1955

No. 1015

COLGATE-PALMOLIVE COMPANY, STALFORT PRESSURE-PAK CORPORATION, JOHN C. STALFORT & SONS, INC., and READ DRUG & CHEMICAL COMPANY, INC.,

Petitioners,

—v.—

CARTER PRODUCTS, INC., JOSEPH G. SPITZER and MARVIN SMALL,

Respondents.

AFFIDAVIT

STATE OF NEW JERSEY,
COUNTY OF MONMOUTH, *ss.*:

HARRY DEANE WOLFE, being duly sworn, deposes and says as follows:

1. He is the Director of Market Research of Colgate-Palmolive Company and has held that position since 1945. He is qualified by education and experience in the field of market research and has worked in that field for the past thirty years.

2. This affidavit is submitted in support of his estimate, which formed the basis of the statement in the petition for

certiorari that consumer sales of pressurized shaving cream are estimated at $30,000,000 a year.

3. The basic figures used for the estimate were secured from A. C. Nielsen Company, Chicago, Illinois, a market research company which supplies statistical information as to consumer sales to the soap industry. This Company enjoys an outstanding reputation for making consumer surveys on the basis of sound statistical procedures and the figures it furnishes are relied upon by industry in making forecasts and planning production. The figures so furnished are given in confidence under a contract which prevents them from being made public.

4. The estimate of consumer sales for 1956 was made in accordance with procedures which have been found to be reliable in the past. The basic data furnished by A. C. Nielsen Company gives bi-monthly figures of consumer sales of pressurized shaving cream through food and drug stores during the calendar year of 1955 and the first four months of 1956.

5. To the 1955 figures, a factor was applied to reflect the additional sales of pressurized shaving cream through outlets other than food and drug stores. This factor can be accurately determined by checking the proportion of products actually sold by Colgate against the report of sales of Colgate products picked up by the Nielsen study. An additional factor was applied to the 1955 figures to reflect the increase in sales indicated in the reported figures for the first four months of 1956.

6. By following the procedures outlined above, a sound estimate is that the sales of pressurized shaving cream for the year 1956 will exceed $30,000,000. On the basis of the present market information, it also appears that

unless there is a substantial reversal in trends, the annual consumer sales of pressurized shaving cream will have more than doubled by the end of 1969.

(Signed) HARRY DEANE WOLFE
HARRY DEANE WOLFE

Subscribed and sworn to before me
this 24th day of July, 1956.

BENJAMIN A. PARKER
Notary Public

APPENDIX B

On page 11 of plaintiffs' brief they set forth, without record citation, a list of seven items which they say embodies the discoveries and achievements of the patent in suit. There follows a point-by-point comparison of these statements with the facts of record.

Plaintiffs assert:

"1. They pioneered by finding that propellant gases in liquid form, could be dispersed and emulsified as such fine droplets in soap solutions that the product would emerge as a self-generated lather rather than as a squirt, a spray, or a gush of big bubbles."

The record shows:

The suggestion that the achievement of a pressure packaged emulsion involved pioneering is completely contrary to fact. Plaintiffs achieved their product by combining ordinary liquid shaving soap with the most common and universally-recommended propellant of the prior art (Pet. 10-11). What the plaintiffs secured was exactly the same emulsion as in pressurized whipped cream and which was recommended by Boe as generally desirable for pressure packaged products (pp. 5-6, *supra*).

Plaintiffs assert:

"2. They found that, contrary to the teachings of the spray art and the whipped cream art, highly insoluble propellants were necessary for generation of lather while only certain of them would overcome smarting of the skin and provide stable lather."

The record shows:

As pointed out in the text of this reply (pp. 5-6, *supra*), the statement so made is completely false. The prior art Boe patent taught the value of emulsions (p. 6, *supra*). It is for this very reason that the plaintiffs now assert that the Boe patent is infringed by pressurized shaving creams (see p. 3, *supra*).

As to smarting, we have shown that the claims of the Spitzer patent embrace the very smarting propellants which the plaintiffs assert that they learned to eliminate (Pet. 7a-10a).

Plaintiffs assert:

> "3. They determined the novel rules of chemical structure and solubility of propellants (as set forth in the claims) which were needed to select the very few usable propellants (only 3 commercially available ones) out of the many hundreds existing. Most of the so-called Freons and Genetrons and nearly all other liquifiable gases simply do not work."

The record shows:

This statement is an admission of what was demonstrated in Appendix A to our Petition. Despite the fact that plaintiffs' specification of usable propellants is obscured by complicated statements as to "chemical structure and solubility of propellants," all they have actually done is designate the most obvious and commercially-available propellants of the prior art of pressure packaging (Pet. 1a *et seq.*).

Plaintiffs assert:

"4. They determined the novel, operable ranges of propellant pressures and propellant-soap ratios."

The record shows:

The patent specifications expressly state that the nature of the soap used, the amount of soap, the proportion of propellants and the vapor pressure of the package are all completely lacking in criticality (Pet. 16-17). This would hardly have been a surprise to anyone familiar with the general art of pressure packaging.

Plaintiffs assert:

"5. They found that sodium-free soaps and particularly triethanolamine soaps, as set forth in certain claims, gave especially good lathers in this new combination."

The record shows:

As pointed out in our Petition, most of the Spitzer claims specifically prescribe the use of sodium soap (Pet. 21). All but one of the remaining claims also cover its use. Only one claim (Claim 21) excludes sodium soap in favor of a TEA soap, long recommended for shaving (Pet. 16-17).

Plaintiffs assert:

"6. They determined which oils, in which proportions, could be used to lower propellant pressure in the new emulsion combination without impairing the lather, and that special soaps were required for best results therewith."

The record shows:

This same use of mineral oil was recommended in Dr. Fulton's article of 1948 entitled "Propellants for Low Pressure Liquefied Gas Aerosols" (Pet. 11-12). A suggestion that special soaps were required is contrary to the single claim of the patent—Claim 15—which permits the use of this propellant with any common soap solution (Pet. 3a-5a).

Plaintiffs assert:

> "7. They achieved not only a new composition for generating lather, but as the uncontradicted testimony showed, a new end product—a lather filled with halogenated gas instead of air. This is a new, microscopic bubble structure unknown in prior shaving lathers. The bubbles are so tiny they work between the beard hairs, softening and supporting each whisker for optimum shaving."

The record shows:

As pointed out in our Petition, the compositions covered by the patent range from those useful in shaving to those which are usable only as shampoos (Pet. 16).

There was no novelty in the production of any foam using a Freon propellant. That was exactly the foam secured when Freon 12 was used with cream (Pet. 8-9).

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IN THE

Supreme Court of the United States

October Term 1956
No. 150

COLGATE-PALMOLIVE COMPANY, STALFORT PRESSURE-PAK CORPORATION, JOHN C. STALFORT & SONS, INC., and READ DRUG & CHEMICAL COMPANY, INC.,

Petitioners,

—v.—

CARTER PRODUCTS, INC., JOSEPH G. SPITZER, and MARVIN SMALL,

Respondents.

PETITION FOR REHEARING OF ORDER DENYING CERTIORARI

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Petitioners pray that this Court grant a rehearing of its order of October 8, 1956 denying their petition for a writ of certiorari and that a writ of certiorari issue to review the judgment of the Court of Appeals for the Fourth Circuit, as prayed for in the petition filed June 8, 1956.

This petition for rehearing advances grounds for granting certiorari not presented in the original petition which are of particular importance to petitioners Stalfort Pressure-Pak Corporation and John C. Stalfort & Sons, Inc.

The two Stalfort companies (herein called "Stalfort") constitute a small independent commercial filler engaged in the business of pressure packaging products of others for a fee (Rec. 795-6, 2486 *et seq.*, not printed).

The grounds for seeking a rehearing in the particular interest of Stalfort are three:

1. The large public importance to the business of commercial filling of the decisions below according plaintiffs an undeserved monopoly upon the pressure packaging of soap.

2. The prejudice to Stalfort and other commercial fillers from refusing to admit the know-how of commercial fillers as prior art against the Spitzer patent.

3. The prejudice to Stalfort arising from the Court of Appeals' refusal to review the issue of infringement.

Importance to the Commercial Filling Industry

The industry of commercial filling has watched with concern the progress of this case through the courts.

That industry is composed of some fifty or more small independent business concerns, such as Stalfort, which make their livelihood by packaging the products of others for sales to consumers. Stalfort which is typical has total assets of $1,065,000, a net worth of $614,000 and does an annual pressure packaging business of $2,094,000 per year.

Commercial fillers have naturally been greatly affected by the enormous growth in public acceptance of pressure packaging which followed the widespread use of aerosol insecticides by the armed forces during World War II.

Foods, insecticides, cosmetics, soaps, disinfectants, paints, lacquers and a host of edible and inedible domestic and industrial products are susceptible of pressure packaging. An ever-increasing number of these products, ranging from foaming shoe cleaner to Christmas tree snow, are now so packaged and dispensed.

The potential of this business is undoubtedly many times the thirty million dollars of pressurized shaving soap now sold annually.

This case, which involves the first significant patent litigation in the field of pressure packaging, is the bellwether of the patent future of the pressure packaging industry.

Effect of the Decisions Below Upon Stalfort

To the small independent business firms composing the pressure packaging industry, the situation of petitioner Stalfort provides an alarming case history.

The acts of Stalfort which constituted the infringement were the performance of a standard pressure packaging operation for The Mennen Company.

Stalfort took a soap solution supplied to it by Mennen, packaged it with conventional pressure packaging equipment in standard beer can containers with standard valves, using conventional proportions of the trademarked Freon propellants of DuPont (App. 144, 146-7).

Stalfort received no protection from the company whose products it packaged. The entire packaging operation and its end product was so much a part of the standard know-how of commercial fillers that Stalfort gave Mennen an indemnity that the product so produced did not involve the patent rights of others.

While Stalfort was engaged in this packaging operation, the Spitzer patent issued with 21 claims covering virtually all practical combinations of soap solutions with conventional Freon propellants. The claims are not limited to shaving lather but, as the specifications show, cover any such product giving a "shaving, shampooing or washing lather" which can "be directly applied to the skin, hair

or other part or material in lather form." (PX 39, App. 674, c. 1, l. 53 *et seq.*)

If the decisions below are permitted to become final by this Court, Stalfort will be effectively prohibited during the lifetime of the Spitzer patent from any substantial participation in the pressure packaging of soap with Freon propellants.

The basis upon which plaintiffs assert this broad monopoly against the pressure packaging industry is that they mixed common barber shop liquid shaving soap with the most common commercial Freon propellants in conventional pressure containers (Pet. 10-13).

The effort advanced by the plaintiffs in justification for this broad monopoly was accomplished in 13 working days without the benefit of the know-how which is any commercial filler's stock-in-trade (PX 5, not printed).

Effect on Commercial Fillers Generally

The most obvious impact of the decisions below upon the industry of commercial filling is that commercial fillers can no longer undertake most conventional pressure packaging tasks with respect to soap products unless tribute is paid to the plaintiffs.

The small concerns which compose the commercial filling industry cannot sustain the burden of extensive patent litigation. They must either accept the presumptive validity of the patent and stay out of the field or pay license fees to the plaintiffs.

The full implications of the decisions below are, however, much more far-reaching. They establish for the very production problems with which the industry is concerned an extraordinarily low standard of invention.

They provide ample justification to the Patent Office to permit the issuance of new patents whenever a different product is pressure packaged in a can. Indeed, the members of the industry are well aware that the race to the Patent Office to prosecute such applications is already well under way.

Such a "proliferation of patents" in a growing industry will have intolerable consequences. Most of these patents, which should be invalidated out of hand, will not come to the attention of the courts.

No industry can afford to litigate itself out of the enmeshment resulting from a multiplication of undeserved and unjustified patent monopolies. The members of this industry will be forced to solve their problems by according respect to paper patents.

This Court, which is quick to perceive problems arising from the co-existence of patent monopolies and the policies of the antitrust cases, should not by default establish the climate in which these problems must inevitably grow.

Seldom has a patent case been presented to this Court so fraught with significance to an entire industry.

Refusal to Receive Pressure Packaging Art in Evidence

The most serious error committed by the courts below was their refusal to permit Stalfort to contest validity by proving the know-how and general knowledge of the pressure packaging industry.

Naturally pressure packers had accumulated a large store of information as to containers, valves, propellants and proportion of ingredients in the performance of their normal business operations. The problems of pressure

packaging any one product are, in many respects, common to the pressure packaging of all.

It would seem obvious that such know-how and general knowledge of the commercial filling industry was pertinent in determining whether the pressure packaging of soap required inventive effort.

Stalfort and the other defendants endeavored to develop this information at the outset of their case through Dr. Fulton, a Government expert from the Bureau of Entomology (App. 148 *et seq.*). Dr. Fulton was intimately acquainted with the first widespread use of pressure packaging for insecticides (App. 149-51). He had followed the progress of pressure packaging of other products as a member of an advisory board of the Interstate Commerce Commission which passed upon such products from the standpoint of safety (App. 149).

At this point the trial court, on its own motion, issued a blanket ruling prohibiting the introduction of evidence as to the general knowledge of the art of pressure packaging "because to me it is just befuddling the issue" (App. 155).

As a result, the validity of the claims of the Spitzer patent has been appraised in a vacuum without reference to the state of the very art out of which the patent was born.

It is hard to conceive of a method of determining the validity of broad claims preempting the field of pressure packaging soap more prejudicial to the industry whose general progress made this innovation possible.

Refusal to Review Issue of Infringement

In the original petition we pointed out that the Court of Appeals rejected the trial court's finding that the invention of the patent was the mixing of a specific group of Freon propellants with aqueous soap solutions (Pet. 13-15).

We showed that the Court of Appeals found instead that the invention consisted of a specific combination of specific soaps with particular propellants in specific proportions (Pet. 14).

We pointed out that this revision of the trial court's finding of invention permitted the Court of Appeals to avoid the impact of the *Mandel* and *Sinclair* decisions* of this Court and the problem of the prior use of Segelken (Pet. 22-5).

One question which the Court of Appeals should not, however, have avoided was that of infringement. In narrowing the definition of the invention, the Court of Appeals necessarily substantially narrowed the permissible scope of the claims. The Court of Appeals was therefore obliged to examine the effect of its redefinition of the invention upon the question of infringement.

Actually none of the products in suit of any of the defendants conformed to the Court of Appeals' description of what the patentees invented. The Court of Appeals' definition of the invention appears in the following passage from its opinion:

> "Finally, after much experimentation, sodium soaps were eliminated and the soap solution adopted was a combination of 80 parts of TEA (triethanolamine)

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* *Mandel Bros.* v. *Wallace*, 335 U. S. 291, 295 (1948), and *Sinclair & Carroll Co.* v. *Interchemical Corp.*, 325 U. S. 327, 335 (1945).

> stearate and 20 parts of TEA cocoate, to prevent jelling. The proper propellant was found after much inquiry and experiment by mixing Freon-114 (1, 2 dichlor 1, 1, 2, 2 tetrafluorethane) with Freon-12" (Pet. 5a).

Actually the composition so described is specified in but a single claim of the patent, Claim 21—the only claim of the patent which is limited to any specific composition (PX 39, App. 674, c. 14, l. 31). This claim was never asserted to be nor found to be infringed.

Instead of reevaluating the issue of infringement in the light of its new definition of the invention, the Court of Appeals completely read the issue of infringement out of the case.

It treated the issue as if infringement were conceded by the defendants. The Court of Appeals stated:

> "Defendants admitted infringement if these claims were valid but denied their validity and asked judgment declaring them as well as all other claims of the patent invalid" (Pet. 12a).

Actually it was only defendant Colgate that entered into any stipulation with respect to infringement. That Company stipulated that the products produced by them were within the literal scope of certain of the claims. Neither Stalfort nor Read Drug & Chemical Company, Inc. made any concession with respect to infringement whatsoever (Rec. 2500 *et seq.*, not printed).

The failure of the Court of Appeals to reappraise the issue of infringement in the light of its revised views as to the invention was prejudicial error of the most serious kind.

CONCLUSION

For the reasons set forth above and in the petition for a writ of certiorari, it is respectfully urged that rehearing be granted and that upon such rehearing, a writ of certiorari issue to the Court of Appeals for the Fourth Circuit.

Respectfully submitted,

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October 30, 1956

Certificate of Counsel

I hereby certify that the foregoing petition for rehearing is presented in good faith and not for delay, and is restricted to grounds specified in Rule 58(2) of the Rules of this Court.

October 29, 1956

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